



A U D I T V I C T O R I A

**ANNUAL
REPORT
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OFFICE OF THE AUDITOR-GENERAL OF VICTORIA

OFFICE OF THE AUDITOR - GENERAL AT A GLANCE

● OFFICE OBJECTIVE

The Office provides assurances to the Parliament and the public on the financial affairs of the Government of Victoria. It also promotes and encourages the development of sound financial and resource management in the Victorian public sector.

● PRINCIPAL LEGISLATION

The *Audit Act* 1958 is the main legislation governing the work of the Office.

● AUDIT RESPONSIBILITIES

The Office is responsible for the audit of 547 organisations including:

- Parliament;
- Government departments;
- public bodies;
- post-secondary educational institutions;
- public hospitals and ambulance services; and
- local water and sewerage authorities.

● AUDIT OPERATIONS

- Audits completed during 1989-90 : 605 (1988-89 : 481).
- Potential savings from cost reductions and improvements in revenue collection identified by audit during the year exceeded \$27 million. In addition, further potential savings were identified by audit but could not be quantified.

● STAFF

- Number of staff at 30 June 1990: 154
 - Males: 98
 - Females: 56
- Number of agents engaged: 70

● FINANCIAL RESULTS

- Net cost of operations : \$5.4 million, 1989-90 (\$4.6 million, 1988-89).
- Fee revenue : \$7.2 million, 1989-90 (\$4.9 million, 1988-89).
- The cost of auditing the State is 6.5 cents per \$1 000 of transactions.

VICTORIA

ANNUAL REPORT
of the
**OFFICE OF THE
AUDITOR - GENERAL**

for the year ended 30 June 1990

Prepared in accordance with the
Annual Reporting Act 1983.

MELBOURNE
L.V. NORTH, GOVERNMENT PRINTER
1990



October 1990

The Hon. Joan E. Kirner, A.M., M.P.
Premier of Victoria
1 Treasury Place
Melbourne, Vic. 3002

Dear Premier

**Annual Report of the Office of the Auditor-General
for the year ended 30 June 1990**

As required by section 8 of the *Annual Reporting Act* 1983, I enclose the report of the operations and audited financial statements of the Office of the Auditor-General for the year ended 30 June 1990.

Yours sincerely


C.A. BARAGWANATH
Auditor-General

OFFICE OF THE AUDITOR-GENERAL OF VICTORIA

12th Floor,
1 Macarthur Street Melbourne, Vic. 3002
Telephone: 651 6012 Fax: 650 5391

From December 1990

Level 14,
222 Exhibition Street, Melbourne, Vic. 3000
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"PRODUCTIVITY THROUGH PROFESSIONALISM"

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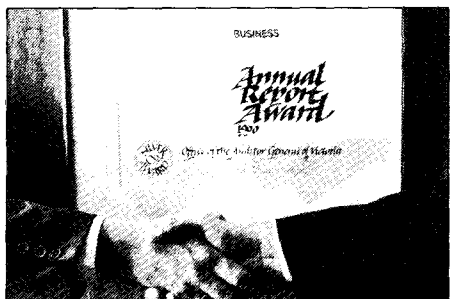
ACHIEVEMENTS DURING 1989-90

I am pleased to once again report a very successful and progressive year for my Office. It has witnessed the on-going commitment by my staff to improve the efficiency, effectiveness and accountability of the Victorian public sector.

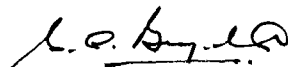
The following achievements highlight positive steps taken during the year to improve the operations of the Office, as well as enhancing the delivery of services to Parliament, government and the public of Victoria:



- Amendments to outmoded audit legislation were introduced and passed by the Parliament. A significant feature of the amendments was the confirmation of the power of my Office to conduct performance (or value-for-money) audits;
- Audits of annual financial statements completed during the year totalled 605 - an increase of 26 per cent over 1988-89;
- Five reports were tabled in Parliament;
- The audit fee revenue to the Office increased by 40 per cent;
- Contract auditing arrangements with private practitioners were expanded to cover a number of major EDP audit reviews;
- The award to Mr Flav Belli (former Assistant Auditor-General) of the Public Service Medal;
- The Office, for the second consecutive year, was acknowledged for its high standard of excellence in annual reporting; and
- A new corporate image project for the Office was commenced.



The many achievements over the past year are a reflection of the quality and commitment of all operational and support staff in the Office. Their enthusiastic and professional approach has enabled the Office to continue to be at the forefront of developments in public sector auditing in Australia as well as achieving international recognition. My sincere appreciation is extended to them for their outstanding efforts during the year.


C.A. BARAGWANATH
Auditor-General

OFFICE OF THE AUDITOR - GENERAL

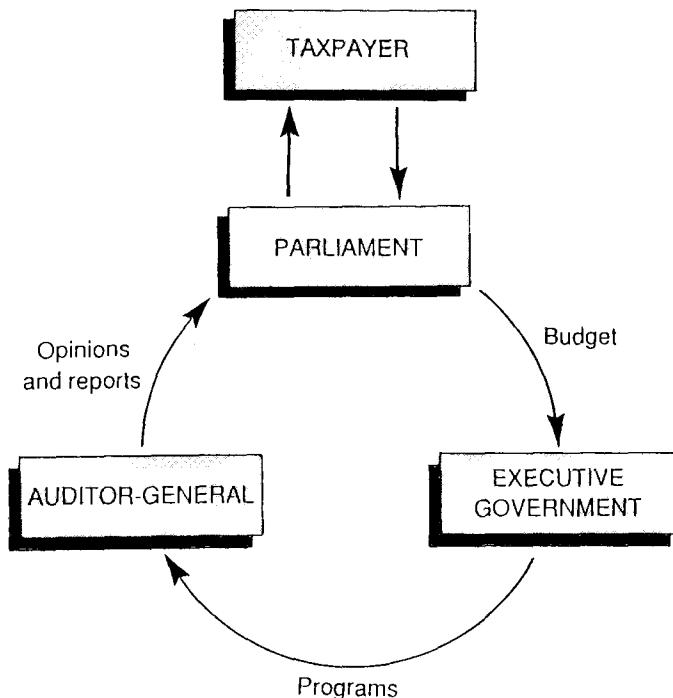
INTRODUCTION

This annual report describes the functions and operations of the Office of the Auditor-General and presents the audited financial statements of the Office for the year ended 30 June 1990. The report focuses on matters relating to the organisation and management of resources available to the Auditor-General during the year, and is submitted to Parliament under section 8 of the *Annual Reporting Act 1983*.

MISSION OF THE OFFICE

The Auditor-General is responsible for the external audit of the financial affairs and activities of government. Unlike other chief administrators, the Auditor-General is not subject to ministerial direction and reports directly to Parliament.

The Office supports the Auditor-General in carrying out his legislative obligations. It therefore plays an important role in the accountability of the Executive Government to Parliament, as well as enhancing resource management in the Victorian public sector.



Within this framework, the mission of the Office is:

- To support the Auditor-General in providing independent and objective analysis, evaluation and opinions to Parliament and the Executive Government. This information is designed to assist Parliament and the Executive Government to assess the financial performance of public entities in terms of:
 - fair presentation of financial statements;
 - adherence to legal and other requirements; and
 - maintenance of management procedures and systems to achieve economy and efficiency in the management of public resources, as well as achieving effectiveness in implementing government programs.
- To promote and encourage the development of sound financial and resource management in the public sector by providing professional external audit services to its auditees.

LEGISLATION GOVERNING THE WORK OF THE OFFICE

The *Audit Act* 1958 is currently the principal statute relating to the appointment, tenure, duties, responsibilities and powers of the Auditor-General, and is the main legislation governing the work of the Office. Other provisions affecting the role and functions of the Office of the Auditor-General are contained in the *Public Account Act* 1958, the *Constitution Act* 1975, the *Annual Reporting Act* 1983 and the various enabling Acts establishing public bodies.

During 1989-90, the *Audit (Amendment) Act* 1990 was passed by the Parliament. This Act clarified the role and responsibilities of the Auditor-General and the work of the Office, particularly in relation to the power to conduct performance audits. Further details are provided on pages 12-13.

WHAT IS THE SCOPE OF AUDIT ACTIVITIES?

Areas of operation

In Victoria, public sector activities are divided into 2 main areas, generally referred to as the *budget* and *non-budget* sectors:

- The *budget* sector includes all departments of the State. These are financed by annual and special parliamentary appropriations and their financial operations are processed through, or come under the control of, the central accounting system operated by the Department of the Treasury; and
- The *non-budget* sector comprises a large number of public bodies, many of which are established by separate legislation. These bodies have greater financial autonomy than departments, are not generally funded by parliamentary appropriations and are not subject to budgetary controls by the Department of the Treasury.

The majority of work carried out by the Office is now conducted under the authority of the Annual Reporting Act which was adopted in 1983 as a means of ensuring that all agencies report to the Parliament.

What are the audit responsibilities of the Office?

At 30 June 1990, the Auditor-General had specific responsibilities for the audits of 547 organisations as follows:

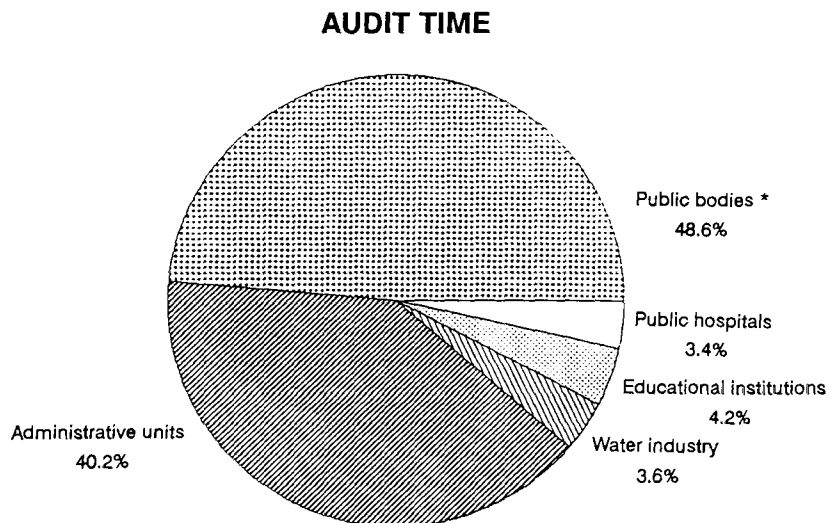
- Parliament;
- 26 administrative units including branches and regional district offices located throughout Victoria;
- 117 public bodies;
- 51 post-secondary educational institutions comprising universities and associated companies, colleges of advanced education, and technical and further education colleges;
- 143 public hospitals and State-funded nursing homes;
- 21 superannuation funds;
- 20 companies and joint ventures; and
- 168 local water and sewerage authorities comprising water boards, municipalities, river improvement/drainage trusts and river management boards.

In addition, the Office is responsible for the provision of audited statements to the Commonwealth in respect of special purpose grants to the State.

The Auditor-General is not responsible for the audit of local government bodies, the State Bank or its subsidiaries, although in terms of the *State Bank Act 1988*, the Auditor-General is required to approve the appointment of the auditors recommended by the Board of the Bank.

A complete list of audit responsibilities at 30 June 1990 is provided in Appendix 1 and a list of changes in audit responsibilities during 1989-90 is contained in Appendix 2.

The chart below indicates the percentage of audit time devoted during 1989-90 to the various audit areas for which the Auditor-General has responsibility.



* Includes government business undertakings, superannuation funds, and companies and joint ventures.

What process is followed in an audit?

To assist the Auditor-General in carrying out his statutory audit responsibilities, the Office has adopted the audit process generally described as "*comprehensive auditing*". This term is descriptive of an approach to the overall audit task, rather than a type of audit in its own right. The comprehensive audit process involves:

- the attestation of financial statements;
- an examination of compliance with legal and administrative regulation; and
- an assessment of the economy, efficiency and effectiveness of auditee operations.

The comprehensive audit approach does not mean that at each and every audit there is a comprehensive examination of the total operations of an auditee. Rather, in the course of each audit cycle the Office examines carefully selected segments of an auditee's operations against a range of criteria determined by audit risk and materiality and environmental factors.

With the need to focus more audit attention on issues having direct impact on the adequacy of resource management in the public sector, the Office has recently taken steps to incorporate greater audit risk considerations in its audit approach.

From the audit process the Auditor-General provides Parliament and ultimately the taxpayer with information needed to assess the performance of government organisations.

In addition to informing Parliament, reviews of management systems provide independent assessments and constructive suggestions to auditees to enable them to enhance financial and resource management, and improve accountability within the public sector.

What is the output of the Office?

The output of the Office consists of:

- Presentation of Auditor-General's reports to Parliament summarising the most significant issues raised during the year. These reports contain comments arising from the audits undertaken, or on special matters which the Auditor-General thinks fit to report. A description of the reports tabled in Parliament by the Auditor-General during the year is provided on pages 14-16. A list of reports tabled since 1985-86, together with a subject index of special interest items, is contained in Appendix 5;
- Annual audit reports and management letters to auditee organisations, drawing attention to observations arising from the audit together with appropriate recommendations. Copies of annual audit reports are also forwarded to the Treasurer and the responsible Minister;
- Audit reports containing the opinions of the Auditor-General on financial statements, which are published within auditees' annual reports with the financial statements to which they refer; and
- Audit reports to the Commonwealth Government on expenditure of various funds provided by the Commonwealth to the State.

HOW IS THE OFFICE ORGANISED TO CARRY OUT ITS FUNCTIONS?

The Auditor-General is assisted in his operations by:

- The Office Executive;
- The External Policy and Practices Advisory Panel which comprises representatives from accounting firms and the Australian Accounting Research Foundation. The Panel provides independent, expert advice on a broad range of financial policy and operational issues;
- The Internal Operations Review Unit which carries out an internal audit and review function; and
- The Executive Support Unit which provides policy, research and administrative assistance.

Office Executive

The Office Executive comprises the Assistant Auditor-General who is responsible for the overall management of the Office, and 4 Chief Directors of Audit. They are responsible for advising the Auditor-General on policy issues and for the overall planning and co-ordination of Office operations.



From left to right: Graham Hamilton, John Kehoe, David Sturgess, Ches Baragwanath, Russell Walker and Joe Manders.

CHES BARAGWANATH
Auditor-General
FCPA
Appointed: 1988.

GRAHAM HAMILTON
Assistant Auditor-General
CPA, RCA
Appointed: 1990.

RUSSELL WALKER
Chief Director of Audit
CPA (Audit)
Appointed: 1987.

JOE MANDERS
Chief Director of Audit
CPA (Audit), RCA
Appointed: 1989.

JOHN KEHOE
Chief Director of Audit
CPA
Appointed: 1989.

DAVID STURGESS
Acting Chief Director of Audit
CPA
Appointed: 1990.

Flav Belli

(Assistant Auditor-General, 1984 to 1990)

Mr Flav Belli joined the Office in 1960, moving through the ranks to the position of Assistant Auditor-General which he occupied during the period 1984 to 1990. Over his time with the Office, Mr Belli was instrumental in promoting and consolidating the professionalism of the Office, as well as raising its profile in servicing the needs of Parliament, government and the public. His major achievements include:



- the adaption of overseas systems-based and value-for-money audit methodologies for use in the Victorian public sector environment;
- the introduction to the Office of EDP facilities and auditing techniques;
- the formulation and introduction of a 5 year corporate planning structure for the Office; and
- the implementation of an information technology strategy which enabled the Office to effectively utilise developments in computer-assisted audit techniques.

Mr Belli was a major contributor in moves to introduce new, updated legislation and practices in the field of resource management in Victoria. His strong commitment to the principle of public accountability motivated his efforts for on-going improvements in the quality of information provided by the Office to Parliament, auditees and the general community.

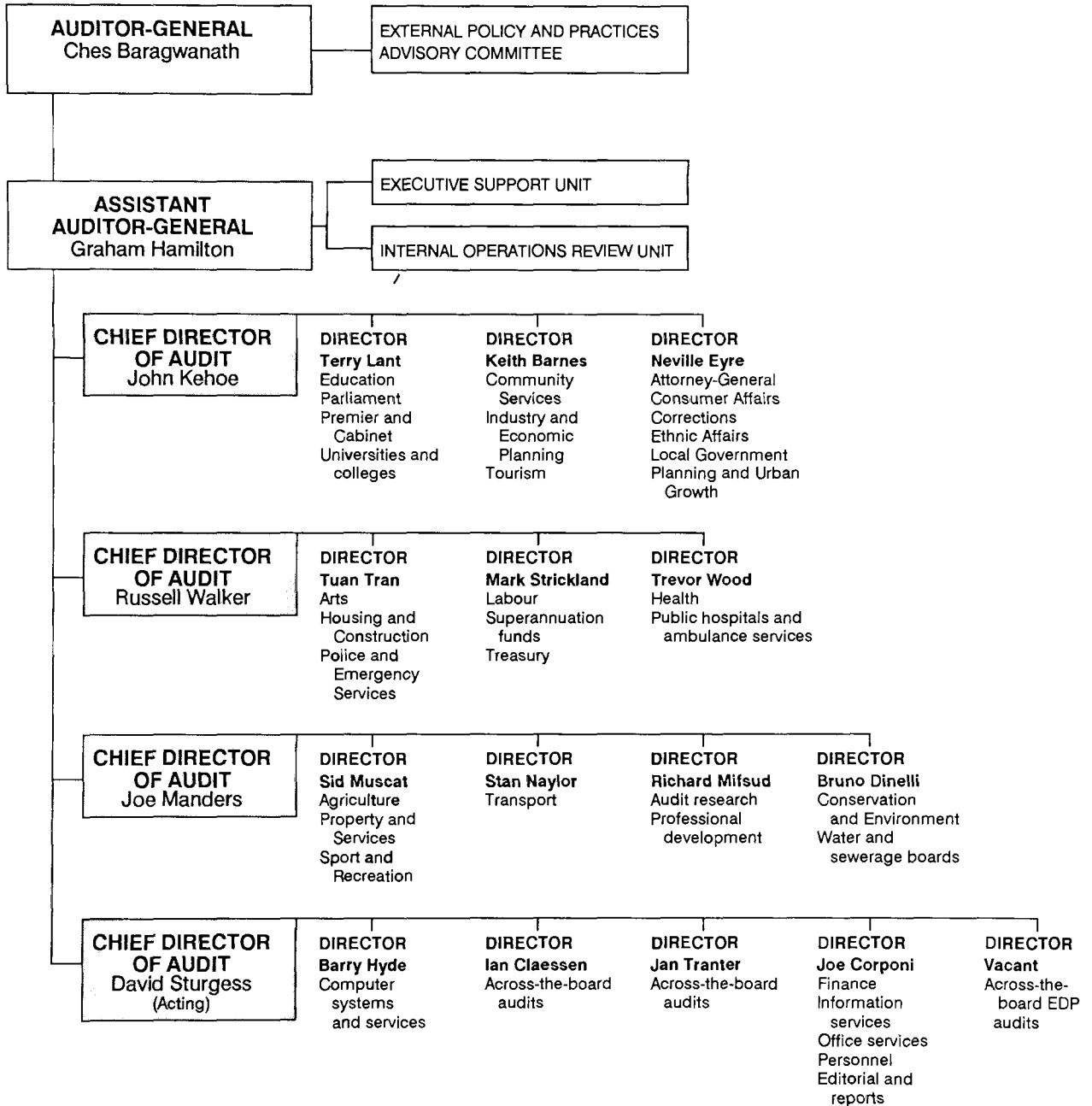
His dedication and outstanding contribution to the Office, the auditing profession and indeed the Victorian Public Service generally, was recognised in the 1990 Queen's Birthday Honours List when he was awarded the Public Service Medal.

Mr Belli resigned as Assistant Auditor-General in June 1990 to take up a senior position with an international banking institution.

Office structure

As shown in the organisation chart on page 9, field audit operations are carried out within 4 Groups. Each Group is under the management of a Chief Director of Audit who operates under broad policy guidelines and is responsible for day-to-day operations. The Groups contain operational audit divisions and in some cases special project and operational support divisions, each of which is headed by a Director.

**OFFICE OF THE AUDITOR-GENERAL OF VICTORIA
ORGANISATION CHART**



Each of the operational audit divisions has a diverse range of audits which cover activities of departments and public bodies, with the allocation of audits to divisions being made on the basis of Ministerial responsibility. A list of the main audit responsibilities of each division is contained in the organisation chart.

Special Projects Divisions are responsible for conducting and co-ordinating across-the-board audit assignments and provide technical advice and training to Office staff on the value-for-money component of the operational audit. An *EDP Audit Division* is responsible for co-ordinating computer audits within operational divisions.

A *Research and Professional Development Division* is responsible for training staff in both audit management and practice, and for providing technical advice and consultancy assistance to audit staff on accounting and auditing matters. This Division also undertakes research on developments in accounting and auditing theory and practice relating to the public sector and develops Office practices and standards.

A *Computer Systems and Services Division* provides consultative and technical support to the Office on all matters dealing with information technology. It is responsible for implementation of the Office Information Technology Strategic Plan which involves both administrative and professional computing systems. The Division also monitors technology developments relevant to the Office, provides day-to-day operational support for current computing systems, and develops and encourages the use of specialised and generalised computer-based audit tools.

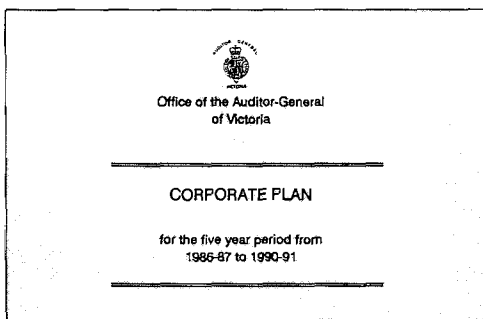
A *Corporate Services Division* provides a range of support services including personnel, recruitment, office accommodation, accounting and financial management, information management, registry, and stores and transport. The Division is also responsible for co-ordinating the preparation of Auditor-General's reports to Parliament and administers the Office's library and reference services.

ACHIEVEMENT OF CORPORATE OBJECTIVES

CORPORATE PLAN

The Office of the Auditor-General is conscious of the extensive changes in public sector financial management occurring in Victoria. Major developments in information technology, new legislative requirements for financial and operational reporting, increasing complexity and sophistication of government financial activities, and expectations of the community for the delivery of new and improved services by government in a resource-restrained climate, are among the many factors which characterise the current financial management and accountability environment.

In 1987, a Corporate Plan was adopted to identify a number of strategic issues facing the Office over the 5 year period 1986-87 to 1990-91, and the best strategies to deal with those issues. The Plan identifies 4 key strategic issues under which several goals, strategies and action targets have been developed to guide the activities of the Office. The 4 key strategic issues are:



- Services to Parliament, Executive Government and auditees;
- Audit methodology;
- Information technology; and
- Resource management.

As the current Plan is now in the final year of its 5 year life cycle, a new Corporate Plan is being devised jointly between Office management and staff. The Office views this joint involvement as fundamental to the design and operation of an effective Corporate Plan which sets out clear objectives, achievable targets and meaningful performance indicators. A working party has been established to oversee the preparation of a new Plan which will carry the Office through the next 5 year period, 1991-92 to 1996-97.

ACHIEVEMENTS DURING THE YEAR

Throughout the year, regular reviews of the Corporate Plan were carried out to allow the Office Executive to monitor progress against stated goals. The reviews provide valuable information which will be used in formulating future 5 year plans.

Office operations this year centred on the continuing implementation of the Corporate Plan. A review of the Office's achievements in implementing the Plan during 1989-90 is set out in the following pages.

STRATEGIC ISSUE NO. 1

Services to Parliament, Executive Government and auditees

GOALS

- To review the legislative framework for the operation of the Office to ensure that it is consistent with the independent role of the Auditor-General and with current philosophy on financial management for the public sector.*
- To maximise the usefulness of the role of the Auditor-General to Parliament and the Executive in carrying out their respective responsibilities for the direction and management of the State's financial operations.*
- To develop strong and harmonious working relationships with auditees.*
- To contribute to the enhancement of financial management practices in public sector organisations.*

LEGISLATIVE FRAMEWORK

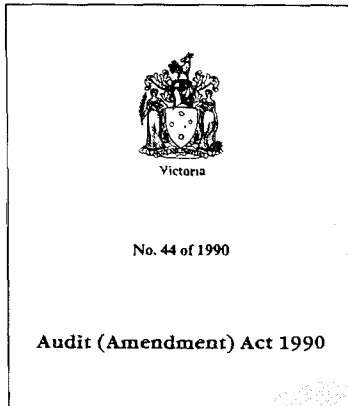
Late in 1986, the Office drafted provisions for a revised Audit Act which were submitted to the Treasurer. This was in response to the Government's objective of reforming the State's resource management and accountability legislation. The draft legislation aimed to remove many outmoded audit requirements, enhance financial and resource management in the Victorian public sector and upgrade the Office's functions and structure.

Since that time, the Office expressed concern at the lack of progress in amending the outmoded legislation embodied in the *Audit Act* 1958 - the principal Act which governs the operations of the Office. Events during 1989 highlighted the difficulties the Office was experiencing in carrying out its obligations of auditing for and reporting to, the Parliament. These included:

- delays in the tabling of reports in Parliament;
- questioning the powers of the Auditor-General to undertake certain audit activities; and
- exercise of secrecy provisions by auditees, which essentially precluded audit staff from collecting information.

In May 1989, the Premier announced that the Government intended to re-define the powers of the Auditor-General by introducing amending legislation during the 1989 Spring Session of Parliament. The legislation, in the form of the Audit (Amendment) Bill 1989, was introduced during the 1989 Spring Session. The Bill was extensively debated in the 1990 Autumn Session before being passed by both Houses.

The *Audit (Amendment) Act 1990*, which received Royal Assent on 13 June 1990, clarified and strengthened the powers of the Auditor-General. Briefly, the new Act empowers the Auditor-General to:



- conduct performance audits to determine whether an auditee is achieving its objectives efficiently, effectively and economically, and in compliance with all relative Acts;
- gain unrestricted access to information which is subject to secrecy provisions of other legislation; and
- apply general auditing standards issued by the professional accounting bodies, particularly in relation to confidentiality.

The Act also provides for the appointment of an external auditor to conduct a performance audit of the Auditor-General at least once every 3 years. Administrative details such as the filling of the Auditor-General's position during a vacancy were also addressed by the new Act.

While it was a positive step towards alleviating the problems, it is seen only as a stop gap measure in terms of providing modern legislative framework for the 1990s. The Office is of the view that complete overhaul of the legislation is necessary and it is pleasing to note that the Department of the Treasury intends to submit recommendations to the Treasurer on further changes to the Audit Act.

REPORTS OF THE AUDITOR-GENERAL

Part of the responsibility of Parliament and the Executive Government is to make decisions affecting the direction and management of the State's financial operations. The Auditor-General plays an important role in this process by providing independent and objective reports which contain information on the adequacy of public sector organisations' financial and resource management systems, and make suggestions for corrective action. It is the prerogative of Parliament and of the Executive Government to act on the Auditor-General's reports as they think fit.

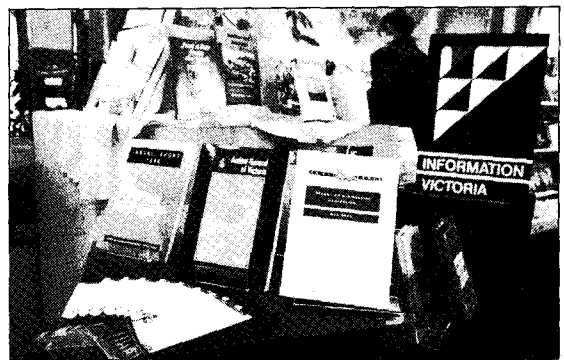
In order to maximise the usefulness of the role of the Auditor-General in this process, progressive enhancements are made to the quality of format and content of Auditor-General's reports to Parliament. While continuing to report on traditional matters such as financial operations and legislative requirements, the scope of issues contained in the reports has been broadened to encompass resource management in the Victorian public sector.

A significant feature of the reports is the attention given to recommendations pointing to substantial savings which would be achieved by the State. The reports are a valuable source of information on the operations of the State and have the potential to improve the management practices of public sector entities.

Auditor-General's reports to Parliament are made available to the general public for purchase through the publications outlets of the Victorian Government Printing Office. Copies of these reports and of the *Office Annual Report* are also distributed by the Office to auditees, to government Audit Offices within Australia and in certain other countries, and to a number of other relevant organisations and interested persons.



David Sturgess and Kim Lee preparing an audit report for Parliament.



The Information Victoria bookshop - a major distributor of the Office's reports.

What reports were issued during the year?

The majority of reports of the Auditor-General are prepared under the authority of the *Audit Act* 1958 and are tabled in Parliament. During 1989-90, 5 reports were tabled.

Report of the Auditor-General on the Treasurer's Statement

Tabled in September 1989, this report accompanied the Treasurer's Statement and provided comment on the Statement. The report also contained a number of matters of special interest concerning public sector resource management. Comments on matters of special interest arose from reviews conducted during the year and topics included:

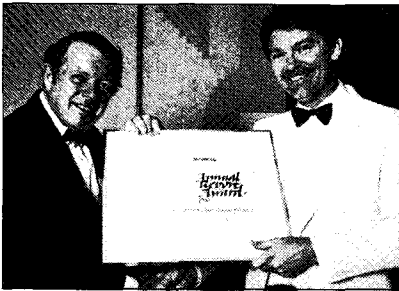
- Need for modern audit legislation in Victoria;
- Inadequacies in the collection of State Taxation;
- Prolonged delays in the implementation of program budgeting;
- Need for guidelines on the duties and responsibilities of board members/directors of public bodies; and
- Retrospective expenditure approvals.

Annual Report of the Office of the Auditor-General, 1989

An annual report of the Office was presented to the Premier for tabling in October 1989 in accordance with the *Annual Reporting Act* 1983. It provided an overview of Office activities for the year, as well as incorporating the Office's audited financial statements.

Recognition of excellence in annual reporting

During 1989-90, *Australian Business* sponsored an Australia-wide Annual Report Award Scheme designed to encourage the meaningful presentation of information in annual reports. It also aimed to promote greater public awareness of an organisation's objectives, achievements, future plans, as well as providing information on financial operations and performance.



John Olesky (right) receiving the Office's Annual Report Award from Trevor Sykes, Editor in Chief, Australian Business.

The Office entered its *1989 Annual Report* in the 40th Annual Report Awards Scheme which was conducted during the year. The *Annual Report* was successful in achieving a high standard of excellence in annual reporting and was judged worthy of receiving a SILVER AWARD. This was the second consecutive Silver Award received by the Office. The Award was presented in Sydney in May 1990.

Special Reports

Special reports are issued periodically and provide comment on the findings of major audit reviews in departments and public bodies. Two special reports were issued during the year, namely:

Special Report No. 12 - Alfred Hospital

Tabled in Parliament in May 1990, this report reviewed the efficiency and effectiveness of management practices at the Alfred Hospital in conjunction with the central administrative role of the Health Department Victoria. The review examined the management procedures adopted by the Hospital in relation to:

- medical and nursing services;
- property management;
- catering;
- cleaning; and
- supply of medical and surgical supplies, and equipment.

Special Report No. 13 - State Bank Group - Impact on the financial position of the State

This report was tabled in Parliament in May 1990 and contained comments arising from a review of the impact on the State of the financial position of the State Bank. The review was conducted at the request of the Legislative Council.

Report on Ministerial Portfolios

Tabled in May 1990, this major report dealt with over 140 issues raised during 1988-89 audits of government departments and public bodies. It completed the cycle of audit activities for the previous year and provided up-to-date comments on a number of significant issues such as:

- ❑ falsification of documentation by the Ministry of Education to support certain works and services expenditure;
- ❑ lack of accountability of public hospitals;
- ❑ excessive costs associated with the provision of meals to prisoners in Police lock-ups;
- ❑ delays in the implementation of the LANDATA land information project;
- ❑ inadequate reporting of the level of assistance provided by the State for the 1990 Olympic Games bid;
- ❑ major deficiencies arising from comprehensive reviews of selected agencies;
- ❑ cost to the State of vandalism and graffiti on the public transport system;
- ❑ cost-effectiveness of private sector bus services compared with services provided by the public sector;
- ❑ financial viability of certain water authorities;
- ❑ lack of control over the utilisation of microcomputers in the public sector; and
- ❑ absence of central guidelines covering entertainment expenditure in the public sector.



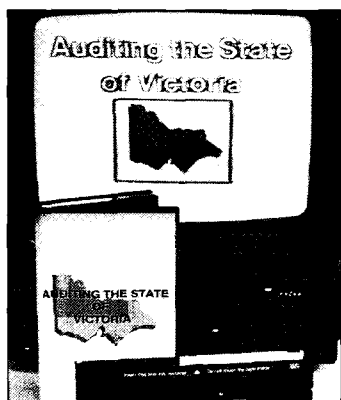
Reports produced by the Office continue to attract wide media interest.

THE OFFICE IMAGE

The Office considers that it is important that there be a widespread community understanding of its role and responsibilities, the services it provides and its relationship with Parliament, Executive Government and auditees. The tabling of Reports of the Auditor-General in Parliament often generates much interest in the community. Parliament - through questions, debates and recording of discussions on the Office's audit activities in *Hansard*, and the media - by highlighting key findings of reports, are valuable sources of information dissemination on the Office's activities.

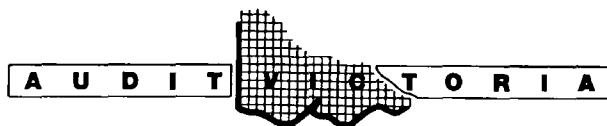
During 1989-90, the Office increased its public profile through:

- the widespread distribution of the information brochure *"Auditing for Parliament and the Public"*;
- the production and distribution of a corporate video entitled *"Auditing the State of Victoria"*; and
- the upgrading of the Office's graduate recruitment material resulting in an informative *"Careers Information Kit"*.



Margaret Pawlik providing a copy of the Office video to Bruce Davidson (Librarian), Parliament House.

The Office also embarked on a program to project a new corporate image. The corporate image program is designed to increase the community's awareness of the Office, its reports and services. The program included the adoption of the *"Audit Victoria"* name which was implemented by the use of corporate logos, colours, designs and new-look stationery. A number of additional strategies have been developed for implementation in 1990-91.



In addition to information made available through Parliament, the media and the Office's promotional activities, an extensive program of professional activities aimed at furthering community understanding of the Office and its role is also undertaken. (Further details are provided in Appendix 4.)

RELATIONSHIP WITH PARLIAMENTARY COMMITTEES

The Auditor-General has no executive power to implement recommendations contained in reports submitted to Parliament. Rather, consideration of audit comments and recommendations is a matter for the Parliament and its committees, individual Ministers, central agencies and auditee bodies. The Auditor-General is always available to provide information to Parliament and its various Committees on the work of the Office, elaborate on the findings contained in reports, or to provide information to improve both the financial and resource management of the State.

During the year the Office undertook a number of activities aimed at enhancing its working relationship with parliamentary and other committees. These activities are important to the Office as they promote greater understanding and awareness of the Office and its role. Activities during the year included the following:

- Senior executives of the Office conducted briefing and information sessions on significant issues contained in Auditor-General's reports to Parliament. These sessions were arranged for interested Members of Parliament, parliamentary committees (such as the Economic and Budget Review Committee) and representatives of public sector organisations;
- The Auditor-General and Assistant Auditor-General appeared before the Public Accounts Sub-committee of the Economic and Budget Review Committee in May 1990 in relation to matters raised in the *Report on Ministerial Portfolios, May 1990*; and
- An officer was seconded to the Economic and Budget Review Committee for 7 months where she assisted with the follow-up of matters raised in Auditor-General's reports, as well as other projects on issues being examined by the Committee.



(Standing left to right) Graham Hamilton and Terry Lant providing information to the Economic and Budget Review Committee on significant issues raised in Auditor-General's reports to Parliament.

ENHANCING THE AUDIT CONSULTATIVE PROCESS

In line with the objective of promoting and encouraging the development of sound financial and resource management practices in the public sector, the Office directs approximately 10 per cent of its audit budget time to assist auditees to meet financial management and accountability responsibilities.

Liaison and communication between the Office and auditees is a vital component of the audit process. Each year meetings are held with the senior management of auditee organisations prior to the commencement of the annual audit. The objective of these meetings is to discuss areas of concern to management, the proposed audit coverage and timetable, and where applicable, the annual audit fee. In addition, these meetings provide a forum for discussion with senior management on the internal auditor's annual audit plan so as to avoid unnecessary duplication with external audit coverage and ensure a more cost-effective audit.

During both the course of the audit and prior to the issue of reports at the conclusion of the review, discussions are held with senior management of the organisation on matters arising from the audit. The advantages gained from such discussions included early resolution of problems identified by audit, a pro-active audit role in improving financial management in government, improved communication and co-operation with management, and positive action from auditees on matters raised by this Office.

During 1989-90 the Office continued to hold regular meetings with senior officers from the central agencies. These meetings addressed significant audit concerns relating to financial management in departments and public bodies as they arose. Where appropriate, advice was provided to auditees for efficient and effective financial management practice for their organisations.



Liaison with auditees ensures harmonious working relationships.

STRATEGIC ISSUE NO. 2

Audit methodology

GOALS

- To achieve full implementation of the Office's comprehensive audit methodology.*
- To ensure, by ongoing enhancements, that the audit methodology of the Office becomes and remains a source of distinctive competence.*

AUDIT PLANNING AND CONTROL

Long-term strategic plans projecting Office activity over the next 5 years are the basis for all audit work. The Office chooses areas for audit on the basis of audit risk and materiality and work is scheduled to allow for the effective utilisation of human resources. A number of audit planning systems ensure that the Office is able to fulfil its auditing responsibilities each year.

Totally Integrated Planning System

In prior years, the Office operated a computerised strategic audit planning system known as TIPS (Totally Integrated Planning System) covering the 3 elements of a comprehensive audit (attest, regularity and value-for-money).

During 1989-90 the attest planning component of TIPS was amended and was included as part of the Office's time management system known as AMIS (Audit Management Information System). It has been further expanded by the development of a computerised enhanced financial audit methodology (EFAM) which is to be adopted for all 1990-91 audits.

The value-for-money component of TIPS also forms part of AMIS and will be the subject of further enhancement in 1990-91 to reflect the requirements of a new audit planning and control process - the Master Audit Plan.

Master Audit Plan

During the year, existing audit planning and control processes within the Office were expanded with the commencement of the development of a Master Audit Plan. The Plan will provide for an enhanced strategic direction for the attest and performance components of the comprehensive audit approach. The objectives of the Plan are to cover the:

- totality of the audit task of the Office as determined within specified criteria;
- period or cycle over which all audits are to be undertaken; and
- resources required to complete all audits within the specified cycle.

The Master Audit Plan represents an innovative process which will be used to:

- provide information to Parliament concerning the Office's additional resource requirements to fulfil its performance mandate as stipulated in the *Audit (Amendment) Act 1990*;
- justify future annual budget submissions; and
- provide a performance measurement against which the Office can be held accountable for the effective and efficient use of its resources.

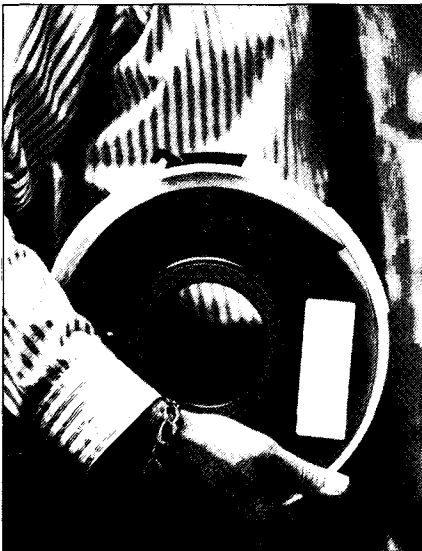
It is anticipated that the Master Audit Plan will be fully implemented by early 1991.

EDP AUDIT

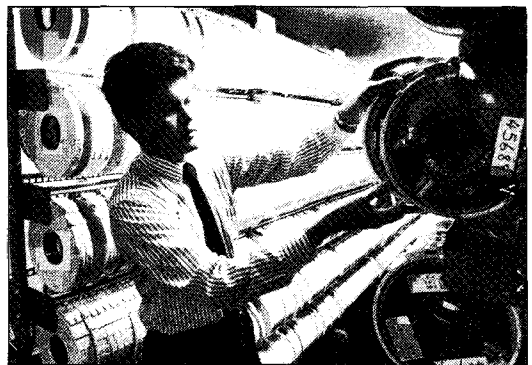
EDP audit developments

A key element in the EDP audit strategy is to increase the EDP audit knowledge base within the Office. This is being achieved by:

- participation of staff in training courses conducted by private sector accounting firms;
- secondment of staff to work in the EDP sections of private sector accounting firms; and
- on-job participation in field work undertaken by EDP specialists to increase their knowledge base as well as providing the opportunity to become familiar with techniques and equipment used in the private sector.



The Office's state-of-the-art information technology forms an integral part of its operations.



Since the re-establishment of the EDP Audit Division within the Office during 1988-89, the Division has:

- developed an Office EDP audit strategy;
- contracted EDP audit activities to private sector accounting firms which act as agents of the Auditor-General;
- participated in the development of an implementation strategy for the Office's risk-based audit methodology; and
- taken steps to expand the application of EDP activities by field divisions.

The Office continues to place emphasis on the development and application of computer-assisted audit techniques (CAATs) to provide better audit coverage, and to carry out efficient and effective audits. A variety of computer programs have been developed to provide access to information maintained by auditees on computer files.

The use of CAATs in the budget sector continued to increase with extensive application of techniques for the examination of both financial management systems and payroll systems. The application of a high level auditing package called IDEA in conjunction with the facilities available on the Office mini-computer led to increased efficiencies in the audit process during the year.

REFINEMENTS TO THE COMPREHENSIVE AUDIT METHODOLOGY

The Office's audit approach revolves around a comprehensive audit process. This process includes the examination and assessment of financial regularity, compliance with legal regulations as well as professional financial pronouncements, and an evaluation of the economy, efficiency and effectiveness of the operations of audited organisations. In all cases, audits are conducted by professionally qualified staff and in accordance with Australian Auditing Standards.

Enhanced Financial Audit Methodology

Initiatives were taken in 1989 to further refine the Office's comprehensive audit approach. This marked the planned introduction of a risk-based audit methodology as a sophisticated tool which will facilitate the decision-making process within the Office. This has the advantage of maximising audit efficiency and effectiveness, in addition to achieving productivity savings.

Following a working party's evaluation of, and recommendations on, a number of current audit techniques and supporting software packages, the Office has adopted an improved financial audit methodology. This is expected to be of sufficient flexibility to allow for, and in fact require, individual professional judgement after full consideration of differing auditee environments but without over-regulating the audit process.

The Enhanced Financial Audit Methodology (EFAM) will ensure that the comprehensive audit approach continues to reflect the benefits available through improved computer technology and to embody current trends in professional audit practice.

A structured program of implementation has been put in place to ensure that the efficiency and effectiveness gains to be derived from EFAM are maximised in the shortest practicable timeframe.

All senior audit staff have attended extensive training courses on the methodology and the various EFAM facilities (namely, manuals, software, documentation etc.) are in place. As a consequence, implementation commenced in July 1990 with the full methodology applied to a selection of auditee organisations and use made on remaining audits of the EFAM software to effect improvements in current audit testing plans. It is intended that EFAM will be fully implemented for 1990-91.

During this staged implementation phase, the Office has established technical and user support teams to provide audit staff with access to expert knowledge on which their practical exposure to EFAM will be based. As the methodology requires a sound understanding of computer systems controls, EDP audit specialists will be required to assist in the preliminary detailed strategic planning phase of the audit. An EDP audit strategy has been developed to accommodate this need over the critical period of implementation.

Furthermore, the Office has ensured the compatibility of EFAM and the audit planning modules of the Audit Management Information System (AMIS) by linking EFAM software facilities with AMIS time recording. At the same time, existing procedures for the creation, retrieval and storage of electronic files have been revised to accommodate this form of audit workpapers.

RELATIONSHIP WITH OVERSEAS AND INTERSTATE AUDIT OFFICES

The sharing of information and professional expertise in the audit area is a valuable mechanism for improving the efficiency and cost-effectiveness of the Office. In addition to the regular meetings of Auditors-General and Deputy Auditors-General, links have been established at middle management levels through annual meetings of EDP auditors in the public sector, circulation of information on developments, and exchange visits of key audit and management personnel between the various Audit Offices.

As in previous years, the Office continued to be involved in activities connected with other Audit Offices. The most significant of these included attendance at a number of international conferences and meetings including:

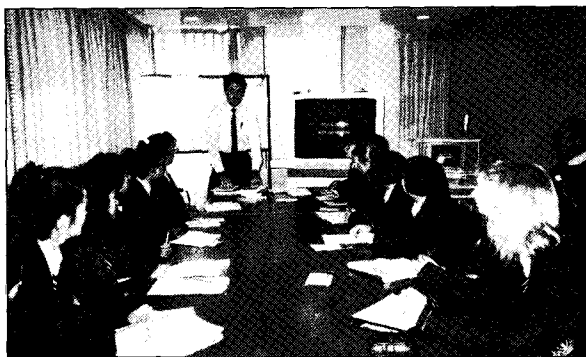


- Tenth Annual Conference of the Canadian Comprehensive Auditing Foundation (Toronto, Canada);
- Provincial Auditor of Ontario, Ontario Legislative Public Accounts Committee (Ontario, Canada);
- Meeting of Australia Area Audit Offices (Melbourne and Adelaide);
- Deputy Auditors-General Conference (Hobart);
- Australasian Audit Executive Meeting (Jamberoo, NSW); and
- Meeting of Government EDP Auditors (Melbourne).

(Top) Members of the Office attended the 10th Annual Conference of the Canadian Comprehensive Auditing Foundation in Toronto, November 1989. (Below) Ches Baragwanath, Auditor-General (front row right), hosted a meeting of Auditors-General in Melbourne, March 1990.

PROFESSIONAL ACTIVITIES

The Office is involved in a range of activities connected with the accounting and auditing profession and public sector management. These activities included international meetings and overseas visits, hosting international and interstate visitors, participation in major conferences, association with professional bodies, and the involvement of staff in the presentation of papers and seminars. The Office continued its activities in this area in 1989-90 and comprehensive details are provided in Appendix 4.



(Above) Students from Kilbreda College attended an information session on the Office's computer systems presented by Bob Schmidt .

(Right) Trevor Wood, Director of Audit, frequently conducted briefing sessions on the Office's activities.



STRATEGIC ISSUE NO. 3
Information technology

GOALS

- To implement the 5 year strategic plan for information technology facilities.*
- To monitor and, where appropriate, take advantage of future advances in information technology.*

APPLICATION OF INFORMATION TECHNOLOGY

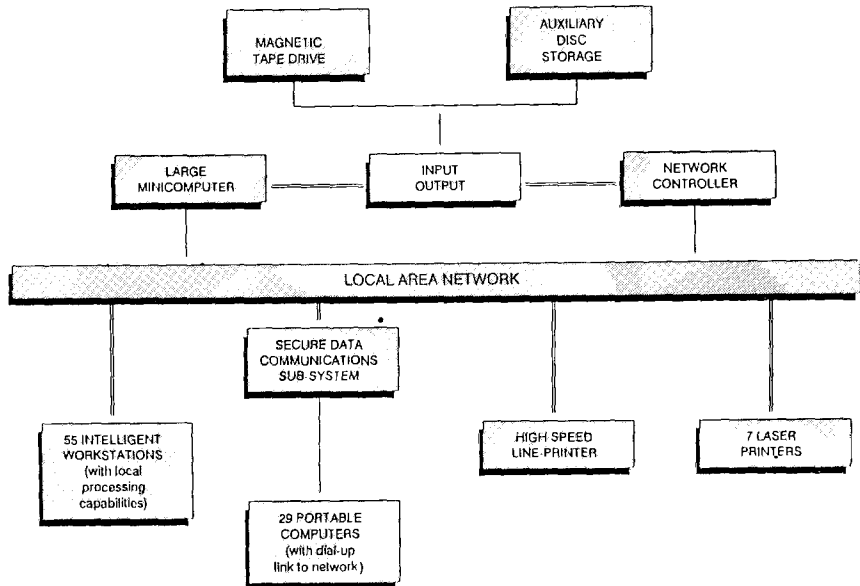
Since 1986, an extensive range of computer facilities has been established in accordance with a 5 year Information Technology strategic plan. The objective of the plan was to improve the efficiency and effectiveness of the Office by:

- establishing an on-line Audit Management Information System;
- providing extensive word processing and electronic publishing facilities for report preparation;
- utilising a range of electronic information gathering equipment for auditors;
- providing portable computers for use by auditors in field work;
- implementing secure dial-up data communications equipment to provide auditors with access to Office computer facilities from the field;
- analysing auditee financial data with computer-assisted audit techniques; and
- introduction of a risk-based auditing methodology using software installed on portable computers.

Each functional area of the Office now has an array of computer technology to assist with daily activities. Introduction of these facilities has enabled the Office to perform more cost-effective audits and work practices have been modified and become more efficient.

DEVELOPMENTS DURING THE YEAR

A fundamental restructure of the minicomputer hardware was undertaken during the year to increase capacity and improve operational efficiency. Substantial improvements in response times for all systems has been achieved. The structure of the Office computing network is outlined below.



Considerable effort was devoted to the development and use of computer assisted audit techniques (CAATs) for analysing auditee financial data. The processing power of the minicomputer provides substantial assistance to auditors by:

- producing graphs of financial activity for the year;
- summarising expenditure and receipts using various criteria;
- performing statistical sampling; and
- comparing financial activity within and across auditees.

In addition, the Office acquired 19 portable computers and printers and secure dial-up data communications equipment for use by field auditors. A document scanner to assist with the efficient establishment of an information database was also purchased.

Other developments of significance during the year included:

- a major upgrade of the computer network operating system in conjunction with the minicomputer hardware upgrade;
- numerous enhancements to the Audit Management Information System to improve functionality and reflect environmental changes; and
- completion of design work of a computer site within the Office's new premises at 222 Exhibition Street, Melbourne.

Activities during the next year will primarily be refinements and enhancements to the existing hardware and software facilities.

STRATEGIC ISSUE NO. 4

Resource management

GOALS

- *To ensure mechanisms are in place to monitor and measure the efficiency and effectiveness of the management of resources within the Office.*
- *To integrate within the strategic planning processes of the Office a human resource management strategy designed to ensure a ready and continuing source of highly motivated and skilled personnel.*

MEASUREMENT OF AUDIT PERFORMANCE

The Office utilises a variety of management techniques and strategies to ensure that its resources are effectively allocated to achieve operational targets and provide the necessary support infrastructure. Resources for which specific management systems have been developed include financial and manpower resources. Reporting systems have also been developed to monitor the progress of projects against predetermined targets and to ensure that resources are appropriately utilised.

FINANCIAL MANAGEMENT

The Office's financial recording and reporting systems are maintained on the Office's computer network and senior management is provided with up-to-date financial reports on budgets, commitments, and year-to-date expenditure on a regular basis.

A computerised debtors' system assists the Office in its cash management practices, and a computerised asset register maintains details of all accountable physical assets. (Further details on physical assets are provided in the Office's supplementary accrual financial statements on page 62.)

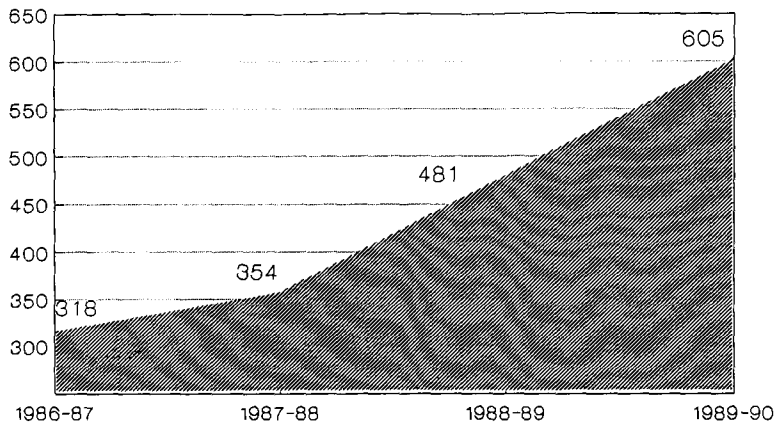
Consistent with its efforts to provide a comprehensive framework for resource management and increased accountability over the expenditure of public moneys, the Office has continued its practice, established in 1987, of voluntarily providing supplementary financial information on an accrual basis (pages 53-65). For example, the statements for 1989-90 disclose for the first time the Office's share of the government liability to the State Superannuation Fund, as calculated by actuarial review. These statements supplement the annual financial statements of the Office, prepared in accordance with Regulations under the *Annual Reporting Act 1983* (pages 43-52).

INDICATORS OF FINANCIAL PERFORMANCE

In the main, the Annual Reporting Regulations follow the traditional budget sector practice of accounting for annual parliamentary appropriations on a cash basis, i.e. reporting only moneys actually received and spent during the year. These Regulations specify only minimum reporting requirements, and by taking the initiative to provide accrual financial statements which recognise total revenue earned, total costs incurred, asset balances, outstanding liabilities and the equity of the State in the Office, far more meaningful management information is provided for decision-making.

The following chart illustrates that over the last 4 years there has been a substantial increase in the number of audits completed. This is mainly attributed to the audit of public hospitals in addition to the audit of a number of water authorities whose financial statements had been in arrears.

AUDITS COMPLETED



The efficient delivery of audit services requires Office staff to liaise with auditees on-site.



The following tables contain information prepared on an accrual basis and show that the Office, through increases in productivity, has been able to contain net outlays in real terms.

OPERATING COSTS, NET OUTLAYS (a)
(\$'000)

Item	1986-87	1987-88	1988-89	1989-90
Expenditure	7 923	7 854	9 596	12 761
Less: Income	2 623	3 640	4 970	7 347
Net outlays -				
Actual	5 300	4 214	4 626	5 414
Real terms (b)	4 807	3 527	3 530	3 709

(a) The Office first produced accrual financial statements for 1986-87.

(b) Adjusted to 1985-86 constant prices.

AUDIT COST INDICATORS

Item	1986-87	1987-88	1988-89	1989-90
Value of transactions (a) (\$ million)	116 131	125 805	134 634	196 456
Audit cost incurred (b) (\$ million)	7.9	7.8	9.6	12.8
Audit cost per \$1 000 (c) (cents)	7	6	7	6.5

(a) Value of transactions audited at departments and public bodies excluding transfers between the Consolidated Fund and the Trust Fund.

(b) Audit cost based on expenditure reported in the Office's supplementary accrual financial statements.

(c) Cost of auditing each \$1 000 of transactions.

OPERATING COSTS BY SUB-PROGRAM
(\$'000)

Sub-program	1986-87	1987-88	1988-89	1989-90
Audit Operations	6 120	6 435	7 556	10 750
Support Services	1 803	1 419	2 040	2 011
Total	7 923	7 854	9 596	12 761

HUMAN RESOURCE MANAGEMENT

The following sections provide information on the Office's overall human resource management strategies. Pages 35-9 contain information on the *Personnel* management activities during the year.

Staff Salary Management System

A Staff Salary Management System provides management with meaningful and timely information on staffing numbers and salary expenditure trends. This enables assessment of the Office staffing profile and control over expenditure of its salary appropriation. During the year this system was rewritten with a number of enhancements. It is now linked directly to the staffing database of the Office's central Audit Management Information System and provides the facility for users to forecast outcomes on-line, based on various scenarios. In addition, a database is maintained on the Audit Management Information System to record the appointment and remuneration of private practitioners engaged as agents of the Auditor-General.

Contract audit arrangements

Engagement of agents

The Office, as part of its resource management, has a policy of engaging private practitioners to act as agents of the Auditor-General. The use of private practitioners in the performance of audit tasks (particularly in country areas) enables the Office to balance an increasing workload against often limited internal resources.

Presently, contract audit arrangements cover local water and sewerage authorities, ambulance services, post-secondary education institutions, public hospitals and State-funded nursing homes, public sector superannuation funds, and a number of other audits. In addition, contract audit arrangements involving attest, EDP and Rate of Return Reporting have also been entered into for certain auditees.

Agents appointed by the Auditor-General are primarily concerned with undertaking sufficient audit work to enable the Auditor-General to form an opinion on the financial statements. However, increasing emphasis is being directed towards identifying issues relating to the efficiency and effectiveness of resource management and economy in an organisation's operations.

The Office develops manuals and guidelines relating to the conduct of certain audits and these are issued to agents to assist them in their audit operations. The Auditor-General provides the audit opinion on the financial statements, determines levels of remuneration and collects fees charged to auditees for services provided by the agents.

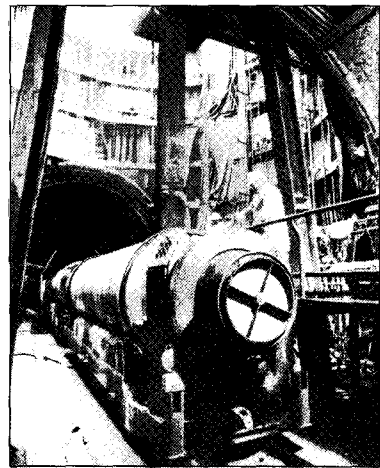
During the year, the Office engaged 70 agents; 15 less than in the previous year. The decrease was brought about through a rationalisation in contracting arrangements in the water and health industries. The rationalisation will provide for more efficient and effective auditing operations.

The following table shows the expenditure on contract auditing services over recent years:

CONTRACT AUDIT EXPENDITURE

(\$)

1986-87	1987-88	1988-89	1989-90
399 124	887 154	2 199 384	3 909 951



The Office's extensive range of audit responsibilities often requires the engagement of contractors to undertake audit assignments.

What is the Office's commitment to professional development?

The Office has an ongoing commitment to the professional development of its staff. The commitment is essential to maintain the high level of skill required to carry out its operational responsibilities, and underlies the Office's professional development policy which states "*professional development is an integral component of the work environment and is observed as an ongoing process for all staff*".

The individual's development therefore becomes a shared responsibility, with staff being encouraged to keep abreast of the latest professional knowledge and skills and the Office providing practical support in the form of a structured annual Professional Development Program, assistance in the completion of further professional studies and the provision of on-the-job training and supervision. The Office's Professional Development Program is co-ordinated by the Research and Professional Development Division.

From 1 July 1990, the Victorian Public Service, in line with other large employers, is required by the Commonwealth Government to spend an amount at least equivalent to 1 per cent of its payroll on training. Using data for 1989-90, the Office's expenditure on professional development exceeded 4 per cent. The outlay of these funds increased the technical, interpersonal and managerial competence of staff, and thereby enhanced the productivity of the Office.

Staff appraisal schemes

All Senior Executive Service (SES) staff receive annual appraisals through the SES Appraisal Scheme, and staff other than SES officers participate in the Office's Performance and Development Review Scheme which is designed to monitor work performance and identify the training needs of each officer through a process of annual assessment and counselling. These schemes provide a meaningful and effective medium to review and discuss officers' performance and career aspirations, and provide valuable input to the preparation of the annual Professional Development Program of the Office.

The Performance and Development Review Scheme was revised and re-launched during 1989-90. The Office's renewed commitment to the Scheme was demonstrated by the conduct of 117 appraisals in May and June 1990; representing 91 per cent of all eligible non-SES staff.

Training courses conducted

The Office uses a mix of internal and external resources to design, organise, deliver and evaluate its training activities. During the year, 42 per cent of courses were conducted in-house and these accounted for approximately 85 per cent of training time. (Details of the training courses conducted during 1989-90 are contained in Appendix 3.)

The Research and Professional Development Division continued to provide support for accounting staff to attain professional accreditation with the Australian Society of Certified Practising Accountants leading to CPA status. This was done by way of a series of 3 hour workshops for 1st Semester Associate enrollees (18) and CPA core enrollees (18) in conjunction with the Society's *Study Manuals*.



Ray Seidel-Davies leading discussion during an in-house training session.

In addition to attending courses under the Professional Development Program, staff were encouraged to attend selected conferences and conventions. (The more significant of these are listed in Appendix 4.)

Mentor Scheme

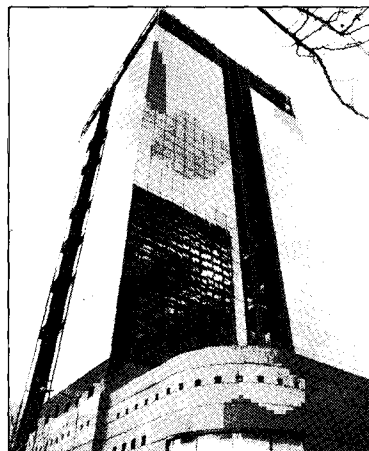
The Mentor Scheme which was introduced in 1989, is designed to provide additional support for graduate recruits joining the Office. A Mentor Group comprises 2 mentors drawn from existing staff and 5 new staff. The mentors play a key role in the induction program for the graduates as they co-ordinate syndicate exercises over an 8 week period. This allows the mentors to form a relationship with the new starters and at the completion of the exercises, formal meetings of the Group are then convened for the remainder of the 12 month period at approximately 3 monthly intervals.

The first mentor group completed its 12 month program in July 1990 and the Group will contribute to a review of the operation of the Scheme. Four groups were established in February 1990 to assist a new intake of graduate recruits.

ACCOMMODATION

Negotiations held with the Department of Property and Services during the year resulted in approval to relocate the Office to 222 Exhibition Street, Melbourne. In late December 1989, a proposal for relocation was approved by the Government Accommodation Task Force. This was followed by an intense design effort which produced detailed floor plans and fit-out specifications. Work to fit-out the floor space commenced in September 1990 and it is expected that the relocation will occur late in 1990.

*The Office's new headquarters:
222 Exhibition Street, Melbourne.*



PERSONNEL



STAFFING PROFILE

The majority of staff employed by the Office hold tertiary qualifications, with most being professionally qualified accountants. At 30 June 1990 the Office employed 154 persons (157 at 30 June 1989). This figure does not take into account that 4 members of staff were on secondment to various organisations and 6 were on extended leave during parts of the year.

The Office's staffing profile regained a degree of stability during 1989-90. The number of resignations, while still high at 26 (which represents a turnover rate of 16.5 per cent) was the lowest experienced in 3 years and the second lowest in 5 years. This has allowed some lost ground to be regained in terms of experience levels of staff.

The following table shows the number of audit staff commencements and separations at various classification levels over the past 2 years.

AUDIT STAFF COMMENCEMENTS AND SEPARATIONS

<i>Classifications</i>	1988-89		1989-90	
	<i>Commencements</i>	<i>Separations</i>	<i>Commencements</i>	<i>Separations</i>
SES	-	2	-	3
Audit Manager	5	6	-	4
Audit Supervisor	6	15	-	7
Audit Senior	4	9	1	3
Auditor	22	7	19	1
Total	37	39	20	18

Work Experience Program

The Office has over the years participated in the Ministry of Education's Work Experience Program. The Program encourages employers to provide Year 11 and Year 12 students with an introduction into the workforce. During the year 2 students from Epping Secondary School were engaged in general clerical and keyboard duties in the Office for a period of 2 weeks.

Senior Executive Service

During the year, 4 officers from the Administrative Officer ranks joined the SES: David Sturgess (Acting Chief Director of Audit), and Keith Barnes, Sid Muscat and Richard Mifsud (Directors). The Assistant Auditor-General - Flav Belli, one Chief Director of Audit - John Pinnis and one Director - Michael Nugent, left the Office during the year.

RECRUITMENT

As a result of the Campus Interview Program conducted in 1989-90, 5 accounting graduate recruits were appointed to Auditor positions in July 1989 and a further 14 were appointed in January 1990.

The 1989-90 Graduate Recruitment Program again covered 13 tertiary campuses in both metropolitan and country regions, with 222 preliminary interviews being held with final year accounting students. This increased interest from students is a reflection of the higher profile taken by the Office on tertiary campuses with revamped recruitment and publicity brochures, a new corporate video explaining the Office's role and a revised approach to on-campus presentations. Unfortunately, restrictive budgets have meant that the Office has had to trim its recruitment target for the campaign.

At 30 June 1990, 12 offers of employment had been accepted, including 3 by graduates commencing duty in July 1990. The results of the 1990-91 Program at 30 June 1990, together with comparative figures for the total 1989-90 Program (in brackets), are shown in the following table.

CAMPUS RECRUITMENT PROGRAM

Item	Females		Males		Total	
First interview	(40)	101	(98)	121	(138)	222
Offer of second interview	(34)	61	(63)	68	(97)	129
Attendance at second interview	(30)	54	(46)	63	(76)	117
Employment offer	(12)	5	(15)	10	(27)	15
Acceptance at 30 June 1990	(9)	5	(10)	7	(19)	12

SECONDMENTS

Despite the severe staffing shortages experienced throughout the year, the Office embarked on a number of staff secondment arrangements designed to enhance the skills and experience of its staff.

- Pam Papatiriu, Senior Audit Manager, was seconded to the Economic and Budget Review Committee for a period of 7 months. This arrangement had the benefit of fostering improved communication and understanding between the Committee and the Office;



- Goran Mitrevski (*left in photo*) was seconded to the chartered accounting firm Coopers and Lybrand for 6 months to gain experience in EDP audit work. This arrangement is part of the Office's new EDP audit strategy and is designed to increase the knowledge of staff in EDP audit. Further secondments of this type have already been arranged;

- John Rosier of the Northern Territory Audit Office was seconded to the Research and Professional Development Division for 7 months to participate in the investigation and evaluation of a new audit methodology for the Office;
- Andrew Pollock, who was seconded to the Auckland Regional Authority in April 1989 to undertake budget activities, completed his assignment in New Zealand and returned to the Office in June 1990; and
- Gary Burden, a Budget Officer with the Auckland Regional Authority, completed an 8 month secondment with this Office. During his secondment he was engaged in value-for-money auditing projects.

EQUAL EMPLOYMENT OPPORTUNITY

An Office Consultative Committee on Equal Employment Opportunity (EEO) was established in 1984 in line with State Government policy on EEO. The primary role of the Committee is to translate the policies laid down in the *Action Plan for Women in the Victorian Public Service* (issued by the Public Service Board in 1984) into objectives, actions and responsibilities specific to the Office.

The Office Action Plan provided for strategies aimed at removing indirect discrimination from personnel procedures, and creating a framework to promote and protect equal employment opportunity. The strategies to achieve these goals are incorporated in the Action Plan's key result areas and include recruitment, selection and promotion, training and development, career structures and opportunities, and conditions of service.

The current Action Plan for the period 1988 to 1990 focuses on 2 areas: audit staff and EDP audit staff. The Plan sets a 33 per cent female employment rate for audit staff and 21 per cent female employment rate for EDP audit staff. At 30 June 1990 the female employment rate for audit staff was 30 per cent and for EDP staff was 20 per cent.

OCCUPATIONAL HEALTH AND SAFETY

The Office's occupational health and safety philosophy focuses strongly on accident prevention in the workplace. A Workplace Health and Safety Committee, comprising equal management and staff representation was established in July 1986 to regularly monitor health and safety issues and increase staff awareness of these issues. The Committee is also active in implementing any improvements required to ensure that the workplace and work practices are safe.

During the year the Committee continued to be pro-active in identifying and rectifying potential health and safety hazards. In particular, the Committee assisted in the following areas:

Eye tests

The Committee was responsible for ensuring that the Office completed its program of eye testing as required in the Screen-Based Equipment Agreement. This is a joint agreement between the Victorian Public Service Association, the Public Service Board and the Victorian Government and covers the occupational health and safety aspects of the use of computer terminals in the Victorian public service.

The Agreement requires that all staff who use such equipment for a continuous period of 2 hours or more per day on a regular basis should have their eyesight tested regularly. The testing, specialist and corrective lense costs are to be borne by the employer.

To comply with these requirements, the Office arranged for 17 staff to be tested and contributed to the costs as required.

Air emission tests

The air conditioning system in the building currently occupied by the Office has not been serviced for several years due to asbestos-related issues. Early in the year, staff noticed visible discharges of dust from the ducts on the 12th and 13th floors. The Committee arranged for a full analysis of the substances which were found to pose no risk to the health of staff.

Accommodation for field auditors

Following a survey of remote audit locations, the Committee requested Office Management to write to the Government Accommodation Task Force to include provision for adequate accommodation for auditors at all long-term audit locations.

The Task Force has advised Office management that all future accommodation needs of audit staff will be considered at the time of auditee relocations.

WORKCARE

During 1989-90, 12 work-related injuries were recorded in the Office's WorkCare register. Time lost by staff totalled 26.5 days and the cost of medical accounts borne by the Office was \$951. Six of these injuries resulted in no lost time or medical expense to the Office. Four claims occurred while travelling to or from work and were therefore beyond the Office's control. A further 22 days were lost in relation to an injury involving a 1988-89 claim which had not been resolved.

DECLARATION OF PECUNIARY INTERESTS

All relevant officers completed a declaration of pecuniary interests during 1989-90.

SOCIAL CLUB ACTIVITIES

The Office Social Club was formed in 1984 to foster and organise social and sporting activities for staff. At 30 June 1990 approximately three-quarters of the total Office staff were members of the Club.

The Social Club is very active in organising sporting events for its members. Three highlights of the year were victories in the annual cricket match against the Department of the Treasury, a football match against the Australian National Audit Office and the magnificent win in the Spring Corporate Cup Run by the Office's "Effective Footwork" running team (which came second in the Autumn series).

Other social activities enjoyed included happy hours, trivia nights, basketball, netball and indoor cricket matches, Annual Dinner Dance, Christmas picnic and a Mystery Train Trip for the Office Christmas party.



Members of the Office-sponsored running team, "Effective Footwork".

EXPLANATION OF ITEMS WITHIN FINANCIAL STATEMENTS

MAJOR VARIATIONS

The financial statements of the Office, prepared in accordance with the requirements of the *Annual Reporting Act 1983*, appear on pages 43-52. There were significant variations in some items within the financial statements between 1989-90 and the previous year. Information in relation to these variations and any significant variations from the budget figure are given below. Number references are to the corresponding items in the financial statements on page 46 of this report.

(1) Fees and charges

Receipts from fees and charges were 40 per cent higher than in 1988-89. The increase was mainly attributed to higher recovery rates because of CPI adjustments and increased audit responsibilities.

(2) Contract auditing

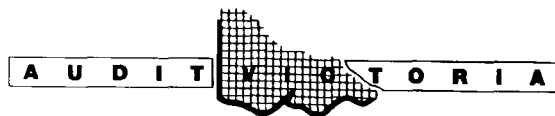
Additional audit responsibilities for the audit of ambulance services, public hospitals and State-funded nursing homes, undertaken by private sector auditors as agents of the Auditor-General, was the reason for the increase in expenditure.

(3) Works and Services expenditure

Expenditure under the Works and Services item relates to capital expenditure associated with the continuing implementation of the Office's Information Technology Strategic Plan. Actual expenditure was less than budget due to the deferment of the purchase of certain software packages.

PHYSICAL ASSETS

The Office controls a number of physical assets, details of which continue to be disclosed in the supplementary accrual financial statements, as has been the policy for the past 3 years.



**OFFICE OF THE
AUDITOR-GENERAL OF VICTORIA**

**FINANCIAL STATEMENTS
for the year ended 30 June 1990**

OFFICE OF THE AUDITOR-GENERAL

**SUMMARY OF RECEIPTS AND
PAYMENTS FOR THE YEAR ENDED 30 JUNE 1990**

<i>Item</i>			1989-90	1988-89
			(\$)	(\$)
RECEIPTS - CONSOLIDATED FUND				
Program 609 - Office of the Auditor-General			6 809 443	4 863 671
Total all receipts			6 809 443	4 863 671
PAYMENTS - APPROPRIATIONS CONSOLIDATED FUND				
	<i>Special</i>	<i>Annual</i>		
	1989-90	1989-90		
	(\$)	(\$)		
Program 609 - Office of the Auditor- General	95 401	10 963 989	11 059 390	8 629 903
PAYMENTS - TRUST FUND				
Program 609 - Office of the Auditor-General			-	-
Total all payments			11 059 390	8 629 903

OFFICE OF THE AUDITOR-GENERAL

PUBLIC ACCOUNT PROGRAM RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 1990

Ref.*	Item	Notes	Budget 1989-90	Actual 1989-90	Actual 1988-89
OFFICE OF THE AUDITOR-GENERAL (PROGRAM 609)					
			(\$)	(\$)	(\$)
RECEIPTS - CONSOLIDATED FUND					
1.	Fees and charges			6 795 862	4 845 859
	Minor receipts	B		13 581	17 812
	Total gross program receipts			6 809 443	4 863 671
PAYMENTS - CONSOLIDATED FUND					
	Special appropriation				
	Salaries and allowances	C	92 000	95 401	88 399
	Annual appropriations				
	Recurrent expenditure -				
	Salaries and associated costs	D	5 905 000	6 009 287	5 487 023
	Operating expenses				
	Administrative expenses	E	675 000	674 578	657 837
2.	Other recurrent services				
	Contract auditing		4 444 000	3 909 951	2 100 384
	Total recurrent expenditure		11 024 000	10 593 816	8 245 244
3.	Works and Services expenditure				
	EDP facilities		548 000	370 173	296 260
	Total gross Consolidated Fund		11 664 000	11 059 390	8 629 903
PAYMENTS - TRUST FUND					
	Total Trust Fund	F		-	-
	Total gross program payments			11 059 390	8 629 903

* Refer to the Explanatory Statement on page 41.

OFFICE OF THE AUDITOR-GENERAL

NOTES TO THE FINANCIAL STATEMENTS

- A (a) The financial statements of the Office have been prepared on the basis that the transactions of the Public Account are reported on a cash basis, with the exception of payments for salaries which are reported on an accrual basis.
- (b) The financial details provided in Appendix A to the financial statements relate to transactions outside the Public Account except for the item "Payments from Appropriations of other administrative units".
- (c) The financial statements specify only identifiable direct costs and do not reflect the total cost of Office operations. The statements do not include amounts paid on behalf of the Office by other administrative units such as the payments by the Department of the Treasury for superannuation and by the Department of Property and Services for accommodation and telephone services. However, these costs are identified in the supplementary accrual financial statements on pages 53-62.
- (d) There has been no expenditure of a capital nature on behalf of the Office by the Ministry of Housing and Construction during the financial year.
- (e) A reference in the financial statements to a "Budget" figure means:
- (i) in the case of recurrent expenditure and Works and Services expenditure the estimates in an annual Appropriation Act for that year; and
 - (ii) in the case of special appropriations, the estimates specified in the Victorian Budget document entitled *Program Budget Outlays* published in respect of that financial year.
- (f) A reference in the financial statements to an "Actual" figure means the payments actually made by the Office in respect of the item to which it refers.
- (g) The receipts and payments set out in the financial statements include receipts and payments which come within the overall responsibility of the Office, whether or not they have been collected or paid by the Office.

RECEIPTS

- B The "Minor receipts" figure below of \$13 581 is made up of the following amounts:

<i>Item</i>	1989-90	1988-89
	(\$)	(\$)
Appropriation of former years	11 195	1 614
Commission on -		
Group assurance deductions	528	637
Hospital and medical deductions	234	201
Interest	1 399	11 742
Small amounts paid in	225	3 618
Total	13 581	17 812

SPECIAL APPROPRIATION

- C** The Auditor-General's salary is specially appropriated by Parliament in accordance with section 4 (3) of the *Audit Act* 1958.

RECURRENT EXPENDITURE**D Salaries and associated costs**

The "Salaries and associated costs" figure is made up of the following amounts:

<i>Item</i>	1989-90	1988-89
	(\$)	(\$)
Salaries and allowances	5 493 314	5 039 292
Overtime and penalty rates	2 213	19 196
Long service leave paid	104 332	61 314
Payroll tax	362 555	323 160
WorkCare	32 861	32 389
Employees' superannuation contribution in respect of officers seconded to the Office	14 012	11 672
Total	6 009 287	5 487 023

E Administrative expenses

The "Administrative expenses" figure is made up of the following amounts:

<i>Item</i>	1989-90	1988-89
	(\$)	(\$)
Travelling and subsistence	46 655	78 721
Office requisites and equipment, printing and stationery	343 882	298 880
Books and publications	19 354	13 769
Postal and telephone expenses	34 320	22 192
Motor vehicles - purchase and running expenses	68 727	37 682
Incidental expenses	114 174	144 957
EDP processing expenses, consultants and special projects	47 466	61 636
Total	674 578	657 837

F State Trust Account.

NIL

OFFICE OF THE AUDITOR-GENERAL

SUPPLEMENTARY INFORMATION AND STATEMENT OF BALANCES
AS AT 30 JUNE 1990

SUPPLEMENTARY INFORMATION

Payments from appropriation of other administrative units at 30 June 1990

Nil

Resources received and provided free of charge at 30 June 1990

Nil

STATEMENT OF BALANCES

Cash and investment balances

An advance from the Public Account of \$8 000 (30 June 1989, \$8 000) was approved by the Treasurer for carryover to the 1989-90 financial year. At 30 June 1990 the Office Advance Account, being an account outside the Public Account, had a balance of \$8 056 (30 June 1989, \$5 978).

Debtors

At 30 June the following amounts were outstanding:

<i>Item</i>	<i>At 30 June -</i>	
	1990	1989
	(\$)	(\$)
Outstanding audit fees	419 920	488 901
Number of bad debts written-off during the financial year	nil	nil
Aggregate amount of bad debts written-off during the financial year	nil	nil
Allowance for doubtful debts	nil	nil

General stores on hand

At 30 June, the Office had the following stores on hand which were valued at cost:

<i>Item</i>	<i>At 30 June -</i>	
	1990	1989
	(\$)	(\$)
Office requisites, stationery etc.	8 966	14 234

Creditors

At 30 June, the following amounts were outstanding:

<i>Item</i>	<i>At 30 June -</i>	
	1990	1989
	(\$)	(\$)
General expenses	244 883	128 246

Employee entitlements

At 30 June, the Office had outstanding employee entitlements including:

<i>Employee entitlement</i>	<i>At 30 June -</i>	
	1990	1989
	(\$)	(\$)
Annual leave	336 098	277 449
Long service leave (a)	1 061 597	978 757
Total	1 397 695	1 256 206

(a) Long service leave is based on the liability for employees with 10 or more years service together with a proportion of the liability accruing for those employees with 5 but less than 10 years service.

Capital commitments

At 30 June 1990, nil (30 June 1989, nil).

Leasing commitments

At 30 June 1990, the Office had operating leases in respect of 4 photocopying machines for a period of one year at a charge of \$18 000 a year (1989, 4 photocopiers at an annual charge of \$16 471). The amounts payable for equipment provided under the State Computer Lease Facility will be reported by the Department of the Treasury.

Balance outstanding on loans

At 30 June 1990, nil (30 June 1989, nil).

CERTIFICATION

Statement by Chief Administrator and Principal Accounting Officer

We certify that the financial statements of the Office of the Auditor-General have been prepared in accordance with section 11 of the *Annual Reporting Act* 1983 and the Annual Reporting (Administrative Units) Regulations 1985.

In our opinion, the information set out in the financial statements presents fairly the receipts of and the payments made by, on behalf of or falling within the policy responsibility of the Office of the Auditor-General for the year ended 30 June 1990 and of the Supplementary Information and Statement of Balances at 30 June 1990.



K.G. HAMILTON
Deputy Chief Administrator

19 / 9 / 1990



C. RICHARDS
Principal Accounting Officer

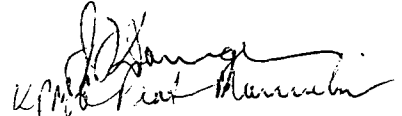
19 / 9 / 1990

REPORT OF THE APPROVED AGENT OF THE AUDITOR-GENERAL

I report that I have audited the accounts set out on pages 43-50 of the Office of the Auditor-General for the year ended 30 June 1990 in accordance with Australian Auditing Standards.

I have received all the information and explanations I have required.

In my opinion, the financial statements have been properly drawn up in accordance with the Annual Reporting (Administrative Units) Regulations 1985, as prescribed under the *Annual Reporting Act* 1983, and present fairly the financial transactions of the Office of the Auditor-General during the year ended 30 June 1990.



J.F. DONGES
KPMG Peat Marwick
Approved Agent of the Auditor-General

21 / 9 / 1990

AUDITOR-GENERAL'S REPORT

The accompanying financial statements of the Office of the Auditor-General comprising a summary of receipts and payments, a statement of Public Account program receipts and payments relating to that Office and appendices and notes to the financial statements have been audited as required by the *Annual Reporting Act 1983* and in accordance with Australian Auditing Standards.

In my opinion, the financial statements comply, in all material respects, with the *Annual Reporting Act 1983* and present fairly the financial transactions of the Office of the Auditor-General for the year ended 30 June 1990 in accordance with that Act.

MELBOURNE
21 / 9 / 1990


C.A. BARAGWANATH
Auditor-General



**OFFICE OF THE
AUDITOR-GENERAL OF VICTORIA**

**SUPPLEMENTARY ACCRUAL
FINANCIAL STATEMENTS
for the year ended 30 June 1990**

OFFICE OF THE AUDITOR-GENERAL

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 30 JUNE 1990

<i>Item</i>	<i>Notes</i>	1989-90	1988-89
		(\$)	(\$)
INCOME			
Audit fees	1(vi), 2	7 258 995	4 908 361
Gross proceeds on sale of fixed assets		74 488	44 237
Other income		13 582	17 943
Total income	4	7 347 065	4 970 541
EXPENDITURE			
Audit operations -			
Salaries, allowances and operating expenses	3	6 735 353	5 466 573
Contract auditing		4 014 468	2 090 159
Support services -			
Salaries, allowances and operating expenses	3	1 874 982	1 895 186
Finance charges		136 560	144 417
Borrowing charges		-	562
Total expenditure	4	12 761 363	9 596 897
Net cost of operating the Office		5 414 298	4 626 356
ABNORMAL ITEM			
Superannuation expense, prior years	1(i)(iv)	14 575 172	-
Net cost of operating the Office and abnormal items		19 989 470	4 626 356

OFFICE OF THE AUDITOR-GENERAL

BALANCE SHEET AS AT 30 JUNE 1990

<i>Item</i>	<i>Notes</i>	1989-90	1988-89
		(\$)	(\$)
ASSETS			
Current assets -			
Cash at bank and in hand		8 356	5 978
Debtors and work-in-progress	5	1 645 123	1 183 817
Prepayments		57 116	26 742
		1 710 595	1 216 537
Non-current assets -			
Fixed assets	6	406 611	379 028
Leased assets	7	1 389 254	770 445
		1 795 865	1 149 473
Total assets		3 506 460	2 366 010
LIABILITIES AND FUNDS			
Current liabilities -			
Creditors and accruals		244 883	128 246
Provision for employee entitlements	8	399 911	350 838
Finance lease liability	9	282 304	166 396
Departmental advance		8 551	8 000
Provision for employee superannuation	1(iv)	510 000	455 034
		1 445 649	1 108 514
Non-current liabilities -			
Provision for employee entitlements	8	997 784	905 368
Provision for employee superannuation	1(iv)	16 055 000	1 043 908
Finance lease liability	9	1 140 710	630 256
		18 193 494	2 579 532
Total liabilities		19 639 143	3 688 046
Accumulated funds (deficiency)	10	(16 132 683)	(1 322 036)
Total liabilities and accumulated funds		3 506 460	2 366 010

OFFICE OF THE AUDITOR-GENERAL

STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS FOR THE YEAR ENDED 30 JUNE 1990

<i>Item</i>	<i>Notes</i>	1989-90	1988-89
SOURCES OF FUNDS		(\$)	(\$)
Funds from operations -			
Inflow of funds from operations -			
Fees and charges		7 258 995	4 908 361
Other income		13 582	17 943
Gross proceeds on sale of fixed assets		74 488	44 237
		<u>7 347 065</u>	<u>4 970 541</u>
Outflow of funds from operations		10 702 129	8 306 818
	11	<u>(3 355 064)</u>	<u>(3 336 277)</u>
Funds from Government -			
Parliamentary appropriations -			
Recurrent		10 689 217	8 333 643
Works and Services		370 173	296 260
		<u>11 059 390</u>	<u>8 629 903</u>
Increase in liabilities -			
Non-current liabilities -			
Finance lease liability		510 454	31 517
Current liabilities -			
Creditors and accruals		116 637	11 058
Departmental advance		551	8 000
Finance lease liability		115 908	-
		<u>743 550</u>	<u>50 575</u>
Total sources		<u>8 447 876</u>	<u>5 344 201</u>
APPLICATIONS OF FUNDS			
Increase in assets -			
Current assets -			
Cash at bank and in hand		2 378	6 109
Prepayments		30 374	12 862
Debtors and work-in-progress		461 306	64 524
		<u>494 058</u>	<u>83 495</u>
Non-current assets -			
Expenditure on fixed assets		243 807	163 995
Leased assets		796 236	117 788
		<u>1 040 043</u>	<u>281 783</u>
Decrease in liabilities -			
Non-current -			
Finance lease		-	53 938
Long service leave paid		104 332	61 314
Payments to Government		6 809 443	4 863 671
Total applications		<u>8 447 876</u>	<u>5 344 201</u>

OFFICE OF THE AUDITOR-GENERAL

NOTES TO, AND FORMING PART OF, THE SUPPLEMENTARY ACCRUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1990

1. STATEMENT OF ACCOUNTING POLICIES

The accompanying supplementary accrual financial statements of the Office have been drawn up in accordance with the accounting standards and disclosure requirements of the Australian accounting bodies. They have been prepared in accordance with the historical cost convention using accrual accounting and do not take into account changing money values or, except where stated, current valuations of non-current assets. Accounting policies have been consistently applied, except where stated.

Expenditure has been disclosed on a program budget basis having been allocated between the 2 sub-programs of the Office: Audit Operations and Support Services.

Set out below is a summary of the significant accounting policies adopted by the Office in the preparation of the supplementary accrual financial statements.

(i) Accounting policy changes

The following changes of accounting policy have been adopted in the year ended 30 June 1990:

Superannuation. The provision for staff superannuation in previous years, has been calculated on the basis of 2.5 times the amount of the employee contributions during the financial year. An actuarial review of the Office's share of the Government liability to the State Superannuation Fund has been completed. Consequently, a liability for Superannuation of \$16.546 million, representing present value of the unfunded employer liability, has been brought to account, the retrospective adjustment for prior years has been disclosed as an abnormal item of \$14.5 million.

The superannuation expense for the current portion has been treated in the following manner; the actual expense has been calculated on the basis of 2.5 times the amount of the employee contributions (\$490 866), plus the Government contribution (\$580 866) to the Fund, for the retired Office members for the financial year ending 30 June 1990. The contribution made by the Government has been recognised as a contribution to accumulated funds in the balance sheet.

Depreciation. In respect of motor vehicles as sales disposal prices compare favourably with acquisition costs, (excluding sales tax), a change in accounting policy has occurred and no depreciation is charged on motor vehicles and the profit or loss adjustment is brought to account on disposal of the vehicles. The effect of this change has been a credit to the depreciation expense of \$9 960.

(ii) Non-current assets

Fixed assets. Fixed assets are defined as those items of equipment, motor vehicles and furniture having a unit cost of \$500 or more which are not consumed in one accounting period. Library books are valued as a collective unit. Fixed assets on hand prior to 1 July 1986 were brought in at valuation. All subsequent assets purchased are carried at cost.

Depreciation. Fixed assets, excluding motor vehicles, are depreciated on a straight line basis over their estimated useful lives. In respect of motor vehicles, sales disposal prices compare favourably with acquisition costs (excluding sales tax), and no depreciation is charged on motor vehicles and the profit or loss adjustment is brought to account on disposal of the vehicles.

Amortisation. Amortisation of leased assets is calculated on a straight line basis over either the lesser of the estimated useful life of the leased asset or the lease period.

(iii) Provision for long service leave

Long service leave is based on the liability for employees with 10 or more years service together with a proportion of the liability accruing for those employees with 5 but less than 10 years service. The proportion of long service leave estimated to be payable within the next financial year is included in the Balance Sheet under "Current liabilities".

(iv) Superannuation

While employees contribute directly to the State Superannuation Fund, the Office's contributions to the Fund are met by the Government at the time when members become eligible for benefits. It is the opinion of management that superannuation is an operating expense of the Office and should be recognised as such. This year, an actuarial review has been completed on the Office's share of the Government's liability to the Fund and the provision has been disclosed in the balance sheet. Government contributions to the fund are recognised, by this Office, as part of retained earnings.

A full actuarial review will be completed every 3 years with an annual update. Any changes in the present value of the unfunded future benefits is reflected in the operating loss for the period. The actuary's estimate of the amount to be paid from the Fund in the next financial year is included in current liabilities.

The future contributions to be made by government have not been brought to account, as these amounts are not deemed to be receivable until appropriated by Parliament.

(v) Leases

Leases of equipment under which the Office assumes all of the risks of ownership and which meet the criteria set out in the Statement of Accounting Standard "Accounting for Leases" AAS 17, are capitalised and classified as finance leases. Other leases are classified as operating leases. Finance leases are capitalised at the present values of the minimum lease payments. Operating lease payments are charged against income.

(vi) Revenue recognition

Audit fees receivable and accrued audit work in progress at year-end are treated as income. When received, these amounts are required to be paid to the Consolidated Fund. The Office is engaged within the next 3 years in a program of achieving full cost recovery.

Fees are not charged for the audits of budget sector agencies (administrative units).

(vii) Services received at no charge

Expenditure incurred by the Department of Property and Services on behalf of the Office has been included as expenditure in the statement of operations. Such expenditure related to Office accommodation at 1 Macarthur Street, Melbourne (estimated at \$292 815) and telephone expenses (estimated at \$55 000).

2. NON-CHARGEABLE AUDITS

The prevailing legislation (*Annual Reporting Act 1983*) does not empower the Office to recover the cost of the audits of the administrative units. It is calculated that audit fees of \$1.6 million have been waived.

3. SALARIES, ALLOWANCES AND OPERATING EXPENSES

<i>Item</i>	1989-90	1988-89
	(\$)	(\$)
Audit operations -		
Salaries and allowances	4 886 667	4 280 763
Superannuation expense	835 967	336 725
Administration expenses	759 916	660 482
Depreciation	114 410	66 596
Amortisation	138 393	122 007
Total audit operations	6 735 353	5 466 573
Support services -		
Salaries and allowances	1 347 559	1 468 549
Superannuation expense	235 785	118 309
Administration expenses	214 335	232 062
Depreciation	32 269	23 399
Amortisation	39 034	42 867
Audit fees	6 000	10 000
Total support services	1 874 982	1 895 186

4. **NET COST OF OPERATIONS**

RECONCILIATION TO CONSOLIDATED FUND TRANSACTIONS

<i>Item</i>	1989-90	1988-89
	(\$)	(\$)
INCOME		
Total income	7 347 065	4 970 541
Add: Movement in debtors	68 980	-
	7 416 045	4 970 541
Less: Movement in work-in-progress	532 114	62 502
Proceeds from trade-in of assets	74 488	44 237
Adjustment to prior year	-	131
Total cash receipts Consolidated Fund	6 809 443	4 863 671
EXPENDITURE		
Total expenditure	12 761 363	9 596 897
Add: Capital expenditure	339 192	259 967
Movement in prepayments	30 374	12 862
	13 130 929	9 869 726
Less: Non-cash expenditure		
Movement in accrued expenditure	116 637	11 058
Employee entitlements	141 489	169 539
Staff superannuation	490 886	455 034
Superannuation	580 866	-
Depreciation for fixed assets	146 679	89 995
Amortisation for leased assets	177 427	164 874
Expenditure by other agencies	348 010	341 028
Book value of assets disposed	28 209	8 295
Write-off fixed assets	41 336	-
Total cash payments Consolidated Fund	11 059 390	8 629 903

5. **DEBTORS AND WORK-IN-PROGRESS**

<i>Item</i>	1989-90	1988-89
	(\$)	(\$)
Debtors	419 920	488 901
Work-in-progress	1 225 008	692 894
Public Account	195	2 022
Total	1 645 123	1 183 817

6. FIXED ASSETS

<i>Item</i>	<i>At cost/ valuation 30.6.90</i>	<i>Depreciation for 1989-90</i>	<i>Accumulated depreciation 30.6.90</i>	<i>Written down value 30.6.90</i>	<i>Written down value 30.6.89</i>
	(\$)	(\$)	(\$)	(\$)	(\$)
Furniture and fittings	47 528	6 578	15 063	32 465	28 157
Motor vehicles	172 961	(9 960)	-	172 961	59 420
Office equipment	40 822	6 613	23 974	16 848	13 731
EDP equipment	388 551	137 827	242 552	145 999	242 875
Library	56 215	5 621	17 877	38 338	34 845
Total	706 077	146 679	299 466	406 611	379 028

7. LEASED ASSETS

<i>Item</i>	<i>At cost 30.6.90</i>	<i>Amortisation for 1989-90</i>	<i>Accumulated amortisation 30.6.90</i>	<i>Net value 30.6.90</i>	<i>Net value 30.6.89</i>
	(\$)	(\$)	(\$)	(\$)	(\$)
Equipment leased under State Computer Lease Facility	1 756 610	177 427	367 356	1 389 254	770 445

8. PROVISIONS FOR EMPLOYEE ENTITLEMENTS

<i>Entitlement</i>	<i>Current liabilities</i>	<i>Non-current liabilities</i>	<i>Total</i>	
			1989-90	1988-89
	(\$)	(\$)	(\$)	(\$)
Long service leave	63 813	997 784	1 061 597	978 757
Annual leave	336 098	-	336 098	277 449
Total shown in Balance Sheet	399 911	997 784	1 397 695	1 256 206

9. FINANCE LEASE LIABILITY

<i>Lease</i>	1989-90	1988-89
	(\$)	(\$)
Lease payments due -		
Not later than 1 year	538 483	309 806
Later than 1 year and not later than 2 years	538 484	298 289
Later than 2 years and not later than 5 years	1 066 511	573 365
Minimum lease payments	2 143 478	1 181 460
<i>Deduct:</i> Future finance charges	720 464	384 808
	1 423 014	796 652
Shown in Balance Sheet under -		
Current liabilities	282 304	166 396
Non-current liabilities	1 140 710	630 256
Balance at 30 June	1 423 014	796 652

10. ACCUMULATED FUNDS

<i>Item</i>	<i>Note</i>	1989-90	1988-89
		(\$)	(\$)
Balance 1 July (deficiency)		(1 322 036)	(802 940)
Net operating deficit for the year		(19 989 470)	(4 626 356)
		(21 311 506)	(5 429 296)
Net amount contributed by Government -			
Funds appropriated from Consolidated Fund	11 059 390		8 629 903
Expenditure by other agencies	348 010		341 028
Superannuation contribution	580 866		
		11 988 266	8 970 931
<i>Less:</i> Amounts paid to Consolidated Fund		6 809 443	4 863 671
		5 178 823	4 107 260
Balance 30 June (deficiency)		(16 132 683)	(1 322 036)

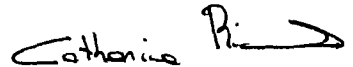
11. RECONCILIATION OF OPERATING RESULT WITH FUNDS FROM OPERATIONS

<i>Item</i>	1989-90	1988-89
	(\$)	(\$)
Operating deficiency	(19 989 470)	(4 626 356)
<i>Add:</i> Depreciation	146 679	89 995
Amortisation	177 427	164 874
Write down of fixed assets	41 336	-
Staff superannuation	490 886	455 034
Staff superannuation prior years	14 575 172	-
Superannuation contribution	580 866	-
Book value of fixed assets disposed of	28 209	8 295
Expenditure by other agencies	348 010	341 028
Provision for employee entitlements	245 821	230 853
Funds from operations	(3 355 064)	(3 336 277)

**CERTIFICATION OF
SUPPLEMENTARY ACCRUAL FINANCIAL STATEMENTS**


We the undersigned hereby certify that:

- ▶ in our opinion the Supplementary Accrual Financial Statements of the Office of the Auditor-General present fairly the financial operations during 1989-90 and the financial position of the Office as at 30 June 1990;
- ▶ at the date of signing the Statements, we are not aware of any circumstances which would render any particulars included in the statements to be misleading or inaccurate; and
- ▶ the Statements have been prepared in accordance with Australian Accounting Standards.



C. RICHARDS
Principal Accounting Officer

MELBOURNE
19/7/1990



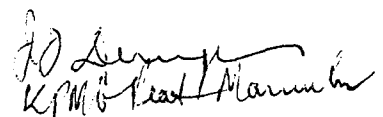
K.G. HAMILTON
Deputy Chief Administrator

AUDITOR'S REPORT

I report that I have audited the Supplementary Accrual Financial Statements of the Office of the Auditor-General for the year ended 30 June 1990 set out on pages 53-64 in accordance with Australian Auditing Standards.

In my opinion, the Supplementary Accrual Financial Statements have been properly drawn up so as to present fairly the financial operations of the Office of the Auditor-General for the year ended 30 June 1990 and the state of affairs at that date, and are in accordance with Australian Accounting Standards.

MELBOURNE
21/9/1990



J.F. DONGES
KPMG Peat Marwick

AUDIT RESPONSIBILITIES AT 30 JUNE 1990

Parliament of Victoria

Administrative units

Agriculture and Rural Affairs, Department of
 Arts, Ministry for the
 Attorney-General's Department
 Auditor-General, Office of the*
 Community Services, Department of
 Conservation and Environment, Department of
 Consumer Affairs, Ministry of
 Corrections, Office of
 Education, Ministry of
 Ethnic Affairs Commission
 Health Department Victoria
 Housing and Construction, Ministry of
 Industry and Economic Planning,
 Department of
 Labour, Department of
 Local Government Department
 Planning and Urban Growth, Ministry for
 Police and Emergency Services, Ministry for
 Police, Office of the Chief Commissioner of
 Premier and Cabinet, Department of the
 Property and Services, Department of
 Public Prosecutions, Office of the Director of
 Public Service Board, Office of the
 Sport and Recreation, Department of
 State Electoral Office
 Transport, Ministry of
 Treasury, Department of the

Public bodies

Accident Compensation Commission
 Accident Compensation Tribunal
 Albert Park Committee of Management
 Albury/Wodonga (Victoria) Corporation
 Alpine Resorts Commission
 Ambulance Officers Training Centre
 Ambulance Service, Victoria -
 Alexandra and District
 Metropolitan Region
 North Eastern Region
 North Western Region
 South Eastern Region
 South Western Region
 Western Region
 Bundoora Park Committee of Management
 Capital Works Authority
 Citrus Fruit Marketing Board
 Coal Corporation of Victoria
 Construction Industry Long Service
 Leave Board
 Council of Adult Education
 Country Fire Authority

Dandenong Valley Authority
 Dietitians Board of Victoria
 Edithvale-Seaford Wetlands Environmental
 Area Committee of Management
 Egg Industry Licensing Committee
 Emerald Tourist Railway Board
 Estate Agents Board
 Exhibition Trustees
 Film Victoria
 Gas and Fuel Corporation of Victoria
 Geelong Performing Arts Centre Trust
 Geelong Regional Commission
 Government Employee Housing Authority
 Grain Elevators Board
 Greyhound Racing Control Board
 Guardianship and Administration Board
 Harness Racing Board
 Historic Buildings Council
 Institute of Educational Administration
 Latrobe Regional Commission
 Latrobe Valley Water and Sewerage Board
 Law Reform Commission
 Legal Aid Commission
 Liquor Licensing Commission
 Loddon-Campaspe Regional Planning Authority
 Marine Board of Victoria
 Medical Panels
 Melbourne and Metropolitan Board of Works
 Melbourne Wholesale Fruit and Vegetable
 Market Trust
 Mental Health Review Board
 Metropolitan Fire Brigades Board
 Mount Macedon Memorial Cross Committee
 of Management
 Museum of Victoria, Council of the
 National Gallery of Victoria, Council of
 Trustees of the
 National Tennis Centre Trust
 Olympic Park Management
 Optometrists Registration Board
 Patriotic Funds Council of Victoria
 Patterson River Recreational Area
 Management Committee
 Penguin Reserve Committee of Management
 Plumbers, Gasfitters and Drainers
 Registration Board
 Port Bellarine Committee of Management
 Port of Geelong Authority (including PGA
 Superannuation Fund)
 Port of Melbourne Authority
 Port of Portland Authority
 Psychologists Registration Board of Victoria
 Psychosurgery Review Board
 Public Advocate, Office of the
 Public Transport Corporation
 Roads Corporation

* *Independent audit conducted.*

Rural Finance Corporation of Victoria
 Rural Water Commission of Victoria
 Shrine of Remembrance Trustees
 Small Business Development Corporation
 State Electricity Commission of Victoria
 State Film Centre of Victoria Council
 State Insurance Office
 State Library of Victoria, Council of the
 State Parliament Refreshment Rooms
 State Swimming Centre Committee of
 Management
 State Training Board, Office of the
 State Trust Corporation of Victoria
 Surveyors Board
 Swan Hill Pioneer Settlement Authority
 Tattersall Sweep Consultation
 Tirhatuan Park Recreational Area
 Management Committee
 Tobacco Leaf Marketing Board
 Totalizator Agency Board
 Transport Accident Commission
 Upper Yarra Valley and Dandenong Ranges
 Authority
 Urban Land Authority
 Victorian Accident Rehabilitation Council
 Victorian Arts Centre Trust
 Victorian Building Societies Council
 Victorian Conservation Trust
 Victorian Curriculum and Assessment Board
 Victorian Dairy Industry Authority
 Victorian Development Fund
 Victorian Dried Fruits Board
 Victorian Economic Development
 Corporation
 Victorian Egg Marketing Board
 Victorian Government Major Projects Unit
 Victorian Health Promotion Foundation
 Victorian Institute of Forensic Pathology
 Victorian Institute of Marine Sciences
 Victorian Institute of Sport Trust
 Victorian Nursing Council
 Victorian Post-Secondary Education
 Commission
 Victorian Prison Industries Commission
 Victorian Public Authorities Finance Agency
 Victorian Relief Committee
 Victorian Solar Energy Council
 Victorian Tertiary Admissions Centre
 Victorian Tourism Commission
 WorkCare Appeals Board
 Western Metropolitan Market Trust
 Yarra Bend Park Trust
 Zoological Board of Victoria

Post-secondary educational institutions

Ballarat College of Advanced Education
 Batman Automotive College of TAFE
 Bendigo College of Advanced Education
 Box Hill College of TAFE
 Broadmeadows College of TAFE
 Catholic Education, Institute of
 Chisholm Institute of Technology
 Dandenong College of TAFE
 Deakin University

East Gippsland Community College of TAFE
 Flagstaff College of TAFE
 Footscray College of TAFE
 Footscray Institute of Technology
 Frankston College of TAFE
 Gippsland Institute of Advanced Education
 Gordon Technical College
 Goulburn Valley College of TAFE
 Goulburn Valley Driver Training Complex Ltd
 Hawthorn Institute of Education
 Holmesglen College of TAFE
 La Trobe University
 Loddon-Campaspe College of TAFE
 Melbourne College of Decoration
 Melbourne College of Printing and
 Graphic Arts
 Melbourne College of Textiles
 Melbourne, University of
 Mines and Industries Ballarat Limited,
 School of
 Monash University
 Moorabbin College of TAFE
 Newport College of TAFE
 Northern Metropolitan College of TAFE
 Outer Eastern College of TAFE
 Phillip Institute of Technology
 Prahran College of TAFE
 Richmond College of TAFE
 Royal Melbourne Institute of Technology
 Limited
 South West College of TAFE
 Sunraysia College of TAFE
 Swinburne Limited
 Victoria College
 Victorian College of Agriculture and
 Horticulture
 Victorian College of Pharmacy Limited
 Victorian College of the Arts
 Wangaratta College of TAFE
 Warrnambool Institute of Advanced
 Education
 Western Institute
 William Angliss College
 Wimmera Community College of TAFE
 Wodonga College of TAFE
 Wodonga Institute of Tertiary Education
 Yallourn College of TAFE

Public hospitals and State-funded nursing homes

Alexandra District Hospital
 Alfred Group of Hospitals
 Altona District Hospital
 Anne Caudle Centre
 Apollo Bay and District Memorial Hospital
 Ararat and District Hospital
 Austin Hospital
 Bacchus Marsh and District War Memorial
 Hospital
 Ballarat Base Hospital
 Beeac and District Hospital
 Benalla and District Memorial Hospital
 Bendigo and Northern District Base Hospital
 Bethlehem Hospital Incorporated

Birregurra and District Community Hospital
 Boort District Hospital
 Box Hill Hospital
 Bright District Hospital
 Bundoora Extended Care Centre
 Burwood and District Community Hospital
 Camperdown District Hospital
 Casterton Memorial Hospital
 Central Gippsland Hospital
 Clunes District Hospital
 Cobram District Hospital
 Cohuna District Hospital
 Colac District Hospital
 Coleraine and District Hospital
 Corryong District Hospital
 Creswick District Hospital
 Dandenong and District Hospital
 Daylesford District Hospital
 Dimboola District Hospital
 Donald District Hospital
 Dunmunkle Health Services
 Dunolly District Hospital
 East Gippsland Centre for Rehabilitation and
 Extended Care
 East Gippsland Hospital
 Eastern Suburbs Geriatric Centre
 Echuca District Hospital Incorporated
 Edenhope and District Memorial Hospital
 Eildon and District Community Hospital
 Elmore District Hospital
 Fairfield Hospital
 Frankston Hospital
 Geelong Hospital
 Gippsland Base Hospital
 Glenview Community Care
 Goulburn Valley Base Hospital
 Grace McKellar Centre
 Greenvale Centre
 Hamilton Base Hospital
 Hampton Rehabilitation Hospital
 Healesville and District Hospital
 Heathcote District Hospital
 Heywood and District Memorial Hospital
 Inglewood Hospital
 Kaniva District Hospital
 Kerang and District Hospital
 Kilmore and District Hospital
 Kingston Centre
 Koroit and District Memorial Hospital
 Korumburra District Hospital
 Kyabram and District Memorial
 Community Hospital
 Kyneton District Hospital
 Latrobe Valley Hospital
 Lismore and District Hospital
 Lorne Community Hospital
 Lyndoch Home and Hospital for the Aged
 Macarthur and District Memorial Hospital
 Maffra Hospital
 Maldon Hospital
 Manangatang and District Hospital
 Mansfield District Hospital
 Maroondah Hospital
 Maryborough and District Hospital

Mercy Maternity Hospital Incorporated
 Mildura Base Hospital
 Monash Medical Centre
 Mordialloc-Cheltenham Community Hospital
 Mortlake District Hospital
 Mount Eliza Centre
 Mount Royal Hospital
 Mt Alexander Hospital
 Myrtleford District War Memorial Hospital
 Nathalia District Hospital
 Nhill Hospital
 Numurkah and District War Memorial Hospital
 Omeo District Hospital
 Orbost and District Hospital
 Ouyen and District Hospital
 Ovens and Murray Hospital for the Aged
 Ovens District Hospital
 Penshurst and District Memorial Hospital
 Peter MacCallum Cancer Institute
 Port Fairy Hospital
 Portland and District Hospital
 Preston and Northcote Community Hospital
 Prince Henry's Institute of Medical Research
 Queen Elizabeth Centre
 Queen Elizabeth Geriatric Centre
 Ripon Peace Memorial Hospital
 Robinvale and District Hospital
 Rochester and District War Memorial Hospital
 Royal Children's Hospital
 Royal Dental Hospital of Melbourne
 Royal Melbourne Hospital
 Royal Victorian Eye and Ear Hospital
 Royal Women's Hospital
 Sandringham and District Memorial Hospital
 Seymour District Memorial Hospital
 Shelley Memorial Hospital
 Skipton and District Memorial Hospital
 South Gippsland Hospital
 Southern Peninsula Hospital
 St Arnaud District Hospital
 St George's Hospital
 Stawell District Hospital
 Swan Hill District Hospital
 Tallangatta Hospital
 Tawonga District General Hospital
 Terang and District (Norah Cosgrave)
 Community Hospital
 Timboon and District Hospital
 Victoria Parade Geriatric Centre
 Wangaratta District Base Hospital
 Waranga Memorial Hospital
 Warracknabeal District Hospital
 Warrnambool and District Base Hospital
 Werribee District Hospital
 West Gippsland Hospital
 Western Hospital
 Westernport Memorial Hospital
 Willaura and District Hospital
 William Angliss Knox and Sherbrooke
 Community Hospital
 Williamstown Hospital
 Wimmera Base Hospital
 Winchelsea and District Hospital
 Wodonga District Hospital

Wonthaggi and District Hospital
 Woorayl District Memorial Hospital
 Wycheproof District Hospital
 Yarram and District Hospital
 Yarrowonga District Hospital
 Yea and District Memorial Hospital

Superannuation funds

City of Melbourne Superannuation Fund
 Coal Mine Workers' Pensions Tribunal
 Emergency Services Superannuation Scheme
 Gas and Fuel Corporation Superannuation Fund
 Holmesglen Constructions Superannuation Plan
 Hospitals Superannuation Board
 Legal Aid Commission Staff Superannuation Fund
 Local Authorities Superannuation Board
 Lump Sum Fund
 Metropolitan Fire Brigades Superannuation Board
 Metropolitan Transit Authority Superannuation Fund
 MMBW Employees' Superannuation Fund
 Parliamentary Contributory Superannuation Fund
 Pensions Supplementation Fund
 SEC Superannuation Fund
 State Casual Employees Superannuation Fund
 State Employees Retirement Benefits Board
 State Superannuation Board
 Transport Superannuation Board
 Victorian Institute of Marine Sciences Superannuation Fund
 Zoological Board of Victoria Superannuation Fund

Companies and joint ventures

Agriprojects Victoria Pty Ltd
 Bioplantech Limited
 Circular Force Pty Ltd
 Daratech Pty Ltd
 Deakin University Foundation Limited
 Durac Limited
 Graduate School of Management Limited
 Healesville Sanctuary Trading Pty Ltd
 IMC Pty Ltd
 Knowledge Victoria Limited
 La Trobe University Housing Limited
 Melbourne Business School Limited
 Montech Pty Ltd
 MTA Investments Pty Ltd
 Overseas Projects Corporation of Victoria Limited
 SIO Services Pty Ltd
 SIO Superannuation Pty Ltd
 Telematics Course Development Fund Trust
 Unimelb Limited
 Victorian Institute of Sport Limited

Local water and sewerage authorities

Aireys Inlet Water Board
 Alberton River Improvement Trust, Shire of
 Alberton Water Board
 Alexandra River Improvement Trust, Shire of
 Alexandra, Shire of
 Ararat, City of
 Ararat, Shire of
 Avoca River Improvement Trust
 Avoca, Shire of
 Avon-Macalister Rivers Management Board
 Axedale Water Board
 Bacchus Marsh, Shire of
 Ballan, Shire of
 Ballarat Water Board
 Beaufort Water Board
 Beechworth, United Shire of
 Benalla Water Board
 Bendigo Creek Improvement Trust
 Bendigo Water Board
 Bet Bet, Shire of
 Birchip, Shire of
 Black Dog Creek Improvement Trust
 Bridgewater Water Board
 Bright District Water Board
 Broadford Water Board
 Broken River Improvement Trust
 Bullock Creek Improvement Trust
 Camperdown, Town of
 Cann River Improvement Trust
 Castlemaine and District Water Board
 Charlton Water Board
 Chiltern Water Board
 Cobram, Shire of
 Cohuna, Shire of
 Colac District Water Board
 Creswick Shire Water Board
 Dandenong-Springvale Water Board
 Daylesford Water Board
 Deakin Water Board
 Devenish Water Board
 Donald Water Board
 Dundas, Shire of
 Echuca Water Board
 Elmore Water Board
 Emerald District Water Board
 Euroa Water Board
 First Mildura Irrigation Trust
 Geelong and District Water Board
 Gisborne Water Board
 Glenelg River Improvement Trust
 Glenelg/Wannon Water Board
 Glenrowan Water Board
 Goorambat Water Board
 Goornong Water Board
 Gordon Water Board
 Goulburn Water Board
 Hamilton Water Board
 Hampden, Shire of
 Heathcote Water Board
 Heytesbury, Shire of
 Heywood Water Board
 Hindmarsh Water Board
 Horsham, City of

<p> Kaniva, Shire of Kerang, Borough of Kiewa River Improvement Trust Kilmore, Shire of King Valley Water Board Korong, Shire of Korumburra River Improvement Trust, Shire of Korumburra Water Board Kowree Water Board Kyabram, Town of Kyneton Water Board Lang Lang Water Board Learmonth Water Board Leongatha Water Board Lexton Water Board Longwarry Drainage Trust Lorne Water Board Lough Calvert Drainage Trust Lower Kiewa Water Board Macalister Water Board Macedon Water Board Mallacoota Water Board Mansfield District Water Board Maryborough, City of Marysville Water Board Melton, Shire of Mid-Gippsland Rivers Management Board Mid-Goulburn Rivers Management Board Mirboo Water Board Mitchell River Management Board Mitchell Water Board Mitta Mitta River Improvement Trust Moe Water Board Mooroopna Water Board Mornington Peninsula and District Water Board Mortlake Water Board Morwell Water Board Mount Rouse, Shire of Murchison Water Board Murtoa Water Board Myrtleford, Shire of Narracan, Shire of Nathalia, Shire of Nhill Water Board Numurkah, Shire of Orneo, Shire of Orbost Water Board Otway Coast Water Board Ovens River Management Board Pakenham Water Board Pental Island River Management Board Port Fairy Water Board Portland Water Board Pyalong Water Board Riddells Creek Water Board Robinvale Water Board Rochester Water Board Rodney Water Board Romsey-Lancefield Water Board Rosedale District Water Board Rutherglen Water Board Sale, City of </p>	<p> Sea Lake Water Board Seymour Water Board Shepparton Water Board Snowy River Improvement Trust South Gippsland Water Board Springhurst Water Board St Arnaud, Town of Stawell, Shire of Stawell Water Board Strathdownie Drainage Trust Sunbury Water Board Sunraysia Water Board Swan Hill Water Board Talbot and Clunes, Shire of Tallangatta, Shire of Tambo River Improvement Trust Tambo Water Board Tarago Water Board Tarwin River Improvement Trust Tarwin Valley Water Board Traralgon Water Board Tullaroop, Shire of Tungamah Shire Water Board Upper Kiewa Water Board Upper Murray River Improvement Trust, Shire of Upper Murray Water Board Walpeup, Shire of Wangaratta, City of Waranga Water Board Warracknabeal Water Board Warrnambool, City of Warrnambool, Shire of West Moorabool Water Board Westernport Water Board Wodonga, Rural City of Wonthaggi-Inverloch Water Board Woodend Water Board Wycheproof Water Board Yackandandah Water Board Yarrawonga, Shire of Yatchaw Drainage Trust Yea River Improvement Trust, Shire of Yea Water Board </p>
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APPENDIX 2**CHANGES IN AUDIT RESPONSIBILITIES, 1989-90****NEW AND REVISED AUDIT RESPONSIBILITIES**

<i>Audit</i>	<i>Authority</i>
Egg Industry Licensing Committee	<i>Egg Industry Act 1989.</i>
Goulburn Valley Driver Training Complex Ltd	Request by Treasurer under <i>Audit Act 1958.</i>
Graduate School of Management Limited	<i>Melbourne University Act 1958.</i>
Healesville Sanctuary Trading Pty Ltd	Request by Treasurer under <i>Audit Act 1958.</i>
Medical Panels	<i>Accident Compensation Act 1985.</i>
Office of the Chief Commissioner of Police	<i>Annual Reporting Act 1983.</i>
Prince Henry's Institute of Medical Research	<i>Prince Henry's Institute of Medical Research Act 1988.</i>
Public Transport Corporation	<i>Annual Reporting Act 1983.</i>
Roads Corporation	<i>Annual Reporting Act 1983.</i>
State Casual Employees Superannuation Fund	<i>State Casual Employees Superannuation Act 1989.</i>
Unimelb Limited	<i>Melbourne University Act 1958.</i>
Victorian Institute of Sport Limited	Request by Treasurer under <i>Audit Act 1958.</i>
Victorian Institute of Sport Trust	Request by Treasurer under <i>Audit Act 1958.</i>
WorkCare Appeals Board	<i>Accident Compensation Act 1985.</i>

AUDITS FOR WHICH THE OFFICE IS NO LONGER RESPONSIBLE

<i>Audit</i>	<i>Reason for audit responsibility ceasing</i>
Caritas Christi Hospice	Removed from reporting provisions of the <i>Annual Reporting Act 1983</i> , effective 23 January 1990.
Grey Sisters Mother and Child Care Centre	Removed from reporting provisions of the <i>Annual Reporting Act 1983</i> , effective 23 January 1990.
Industrial Relations Commission of Victoria	Abolished by Order-in-Council, effective 30 May 1990.
Metropolitan Transit Authority	Merged to become Public Transport Corporation, effective 1 July 1989.
Poultry Farmer Licensing Committee	Abolished by <i>Egg Industry Act 1989</i> , effective 2 August 1989.
Poultry Farmer Licensing Review Committee	Abolished by <i>Egg Industry Act 1989</i> , effective 31 October 1989.
Road Construction Authority	Merged to become Roads Corporation, effective 1 July 1989.
Road Traffic Authority	Merged to become Roads Corporation, effective 1 July 1989.

AUDITS FOR WHICH THE OFFICE IS NO LONGER RESPONSIBLE - *continued*

<i>Audit</i>	<i>Reason for audit responsibility ceasing</i>
Skipton Water Board	Absorbed into Ballarat Water Board, effective 1 January 1990.
State Transport Authority	Merged to become Public Transport Corporation, effective 1 July 1989.
St Vincent's Hospital	Removed from reporting provisions of the <i>Annual Reporting Act</i> 1983, effective 23 January 1990.
Victorian Dried Fruits Board Superannuation Fund	Fund closed, effective 27 November 1989.
Victorian Fishing Industry Council	Abolished by <i>Fisheries (Amendment) Act</i> 1989, effective 29 November 1989.
Victorian Public Offices Corporation	Wound up by administrative means, effective 1 July 1989.
Water Resources, Department of	Abolished and incorporated into Department of Conservation and Environment by Administrative Arrangements Order (No. 74) 1990, effective 2 April 1990.

APPENDIX 3
TRAINING COURSES CONDUCTED, 1989-90
INTERNAL COURSES

<i>Course</i>	<i>Month held</i>	<i>Duration (days)</i>	<i>Person days training</i>	<i>Participants</i>	
				<i>M</i>	<i>F</i>
Active communication	July	2	38	10	9
Writing skills for Auditor-General's reports	July	1	23	17	6
Orientation Program, 2nd intake	July/August	1.5	8	3	2
Communication skills for supervisors	August	3	27	6	3
Counselling and coaching	August	1	17	14	3
Report writing	August	1	20	12	8
Senior Management Conference	November	2.5	70	24	4
Negotiation/meeting/presentation skills	December	2	40	14	6
Orientation Program, 1st intake - Phase 1	January	4	60	8	7
Associate Program	March/June	1.8	34	13	6
CPA Program	March/June	1.8	31	10	7
Orientation Program, Phase 2	April	2	30	8	7
Enhanced Financial Audit Methodology (EFAM)	April	5	60	9	3
EFAM overview	April	1	12	12	-
One-to-one communication/assertiveness	May	2	44	11	11
EFAM overview	May	1	13	11	2
Comprehensive auditing - VFM	May	1	28	21	7
Counselling and coaching	May	1	12	9	3
Writing skills for Auditor-General's reports	May	0.2	7	31	5
EFAM	May	5	65	10	3
Update on accounting/auditing of superannuation funds	May	0.4	7	12	6
Budget sector accounting	June	0.3	7	17	10
EFAM	June	5	65	11	2
Comprehensive auditing- VFM 2 debriefing	June	0.6	23	32	6
Senior Management Discussion Group	Various	1.5	60	35	6

EXTERNAL COURSES

Course	Month held	Duration (days)	Person days training	Participants	
				M	F
Contingency planning	July	1	1	1	
PSB Organisation and Classification Training Manual	July	2	2	-	1
Finance skills for Program Managers	August	4	4	1	-
IPMA human resource	August	2	2	1	-
ASA Congress	September	0.2	16.2	50	26
Public sector financial resources	September	2	2	1	-
Performance appraisal	September	1	1	1	-
Marketing your services	September	3	3	1	-
CCAF Conference (Canada)	November	2	18	7	2
Ontario Audit Office	November	2	18	7	2
Government accounting for Finance Officers	October	2	4	1	1
EDPAC 1989	October	1	1	-	1
Differential reporting	October	0.4	0.4	1	-
Results through innovation	November	3	3	-	1
Latest financial reporting developments	November	0.4	0.4	1	-
Desktop publishing	December	0.5	0.5	1	-
Analytical review	December	1	2	1	1
First aid	December	1	1	1	-
Computer virus threat	December	2	2	1	-
Secretarial workshop	January	1	1	-	1
Government and the public service	February	2	1	1	-
Supervision/team building	February	1	1	-	1
Financial reporting by local government	February	0.5	2	2	2
IBM control/security	February	0.2	0.2	1	-
ASA Business Luncheon	February	0.2	0.4	2	-
ISIP training	April	0.4	2.4	6	-
Computer-based training	April	1	1	1	-
How to proof read	May	1	1	1	-
Financial management for Finance Officers	May	5	10	1	1
Program budgeting	May	1	7	5	2
Secretarial workshop	May	1	1	-	1
EDPAC 1990	May	2	2	1	-
Management cornerstones	June	0.3	2.1	5	2
Organisational change - making it stick	June	0.3	0.3	-	1

PROFESSIONAL ACTIVITIES

INTERNATIONAL MEETINGS AND OVERSEAS VISITS

10th Annual Conference of the Canadian Comprehensive Auditing Foundation

A group comprising 13 members of the Office attended the 10th Anniversary Conference of the Canadian Comprehensive Auditing Foundation in Toronto during 15 - 25 November 1989. The group also visited the Provincial Audit Office of Ontario where they met with members of the Ontario Legislative Public Accounts Committee. Members of the group also held discussions with representatives of Canadian Healthcare organisations.

INTERNATIONAL AND INTERSTATE VISITORS

New South Wales Audit Office

Dick Dunn, an Assistant Auditor-General, Sam Kalagurdevic, Director of Audit and Graeme Hannaford, Audit Manager, visited the Office in July 1989 for discussions relating to information technology and value-for-money auditing issues.

In June 1990 Geoff Oliver, Director - Policy and Planning and Eric Lumley, Director of Audit, attended a meeting in the Office to discuss various matters relating to Rate of Return Reporting and the valuation of assets.

Australia Area Audit Offices

Ches Baragwanath, Auditor-General, hosted a meeting of Auditors-General from all States of Australia, the Commonwealth, New Zealand and Fiji in March 1990. The meeting provided an opportunity to discuss topics such as:

- implementation of government policies;
- government guarantees, indemnities and sureties;
- accounting implications of debt reconstruction arrangements; and
- use of computers as audit tools.

PARTICIPATION IN MAJOR CONFERENCES

Annual Conference of the Accounting Association of Australia and New Zealand (AAANZ)

In July 1989, a Director of Audit and the Manager - Research, attended the Annual Conference of AAANZ, which was held at the University of Melbourne and RMIT. A large number of academic papers were presented by delegates at the Conference and topics ranged from corporate finance to auditing issues.

Australia Area Audit Offices

In July 1989, the Auditor-General attended a 2-day meeting of Australian Auditors-General in Adelaide. The major issue discussed at the meeting concerned the level of parliamentary accountability of some public sector activities.

ASCPA State Congress

In September 1989, the ASCPA State Congress was held. The theme for the Congress was "*Creating Opportunities*". The Auditor-General was one of the speakers in the Technical Program at the Congress and conducted the session dealing with "*Public Accountability - its nature and its application in Victoria*".

ASCPA ACT Division

In November 1989, the Auditor-General visited Canberra at the invitation of the ACT Division of the Australian Society of Certified Practising Accountants to give an address on "*Public Accountability*". The address was attended by over 80 ASCPA members.

Australasian Senior Audit Executives Meeting

In June 1990, 5 senior members of the Office attended the Australasian Senior Audit Executives meeting held at Jamberoo in NSW. The theme adopted for the meeting was "*Auditing in a more commercialised public sector*".

Audit and Foreign Exchange Seminar

In June 1990, a Director of Audit attended a one-day seminar conducted by the NSW Audit Office addressing issues relating to the audit of Treasury functions - foreign exchange and other Treasury products.

EDPAC 1990

In May 1990, a number of staff attended various sessions of EDPAC 90. The theme adopted for the conference was "*21 years on - have we come of age?*" and focused its attention on addressing the important technical issues facing EDP auditors in the 1990s.

Meeting of Government EDP Auditors

In May 1990 the Office hosted the annual meeting for EDP auditors from Audit Offices around Australia. Issues discussed included the use of micro-computers and CAATs to assist in the audit process, staffing and the use of private sector agents, expert systems, computer viruses and recent developments in EDP auditing.

OFFICE CONFERENCES

Executive Conference

Members of the Office Executive spent 2 days at Healesville in October to discuss issues relating to the future strategic direction of the Office. Matters canvassed at the Conference formed the basis for more detailed discussion at the Annual Senior Management Conference held in November 1989.

Senior Management Conference

Members of the Office Executive, Directors and some managers attended the Senior Management Conference held in Kilsyth in November 1989. The purpose of the Conference was to identify and resolve some of the policy and strategic issues arising from budgeting and legislative changes.

The issues discussed were:

- the need for a Master Audit Plan to enable performance auditing to be included in the Office's growing workload;
- the impact of contract auditing;
- improving staff management and efficiency;
- the EDP audit strategy and EDP audit tools;
- the progress on updating the Office's audit methodology; and
- the impact of an external performance review of the Office's operations.

INVOLVEMENT WITH PROFESSIONAL BODIES

There continued to be a strong involvement by members of the Office in the activities of various professional bodies and specialist committees during the year. The most significant included the following:

Australian Accounting Research Foundation - Australian Auditing Standards Board

Ches Baragwanath, Auditor-General, is a member of the Foundation's Australian Auditing Standards Board.

International Consortium of Governmental Financial Management

Ches Baragwanath, Auditor-General, became a Director of the International Consortium on Governmental Financial Management. Together with the President of the ASCPA, Mr Baragwanath will represent the interests of the Society in the Consortium. The principal aim of the organisation is the promotion of a better understanding of professional financial management among public officials at all levels of government.

Australian Society of Certified Practising Accountants - Disciplinary Committee

Ches Baragwanath, Auditor-General, is a member of the Society's Disciplinary Committee.

Russell Walker, Chief Director of Audit, is a member of the Society's Public Sector Accountants Committee. He is also a member of the Society's National Accountants in Government Committee.

Australian Accounting Research Foundation - Australian Public Sector Accounting Standards Board

Ches Baragwanath, Auditor-General, is a member of the Foundation's Australian Public Sector Accounting Standards Board.

Australian Accounting Research Foundation - Accounting Standards Review Board

Ches Baragwanath, Auditor-General, is an observer on the Foundation's Accounting Standards Review Board.

Australian Accounting Research Foundation - International Federation of Accountants

Ches Baragwanath, Auditor-General, is the Australian representative of the Foundation's International Federation of Accountants Committee.

EXTERNAL PRESENTATIONS

Many Office staff were involved in the presentation of papers and seminars. A summary of activities conducted during 1989-90 is set out below:

EXTERNAL PRESENTATIONS BY OFFICE STAFF, 1989-90

<i>Date</i>	<i>Officer</i>	<i>Topic</i>
July	M. Nugent	<i>Role and Function of the Office.</i> Paper presented to middle and senior public sector program managers as part of an 8-day program run by Monash University's Public Sector Management Institute as consultants to the Public Service Board (PSB).
August	F. Belli	<i>Internal and External Auditing.</i> Presentation to PSB "Finance Skills for Program Managers" course.
"	S. Farrer	<i>Audit in educational institutions.</i> Paper presented to public sector finance and business managers at a seminar conducted by private consultants.
September	R. Mifsud	<i>External Auditing.</i> Presentation to participants in the Finance Officers training program conducted by the PSB.
"	T. Wood	<i>Efficiency and Value-for-money Auditing.</i> Paper presented to senior public and private sector executives at a 2-day seminar conducted by private consultants.
"	C. Baragwanath	<i>Public Accountability - its nature and its application in Victoria.</i> Paper presented to 1989 ASA Victorian State Congress.

EXTERNAL PRESENTATIONS BY OFFICE STAFF, 1989-90 - continued

<i>Date</i>	<i>Officer</i>	<i>Topic</i>
October	R. Mifsud	<i>The Role of the Audit Office.</i> Presentation to students at Gippsland Institute of Advanced Education.
"	J. Misiano	<i>The Role of the Audit Office.</i> Presentation to students at Ballarat University College.
"	R. Mifsud	<i>External Auditing.</i> Presentation to participants in the "Program Managers Finance" course conducted by the Monash University Public Sector Management Institute.
November	J. Manders	<i>Contemporary Features of Public Sector Auditing.</i> Paper presented to Graduate Diploma of Educational Administration students at the Hawthorn Institute of Education.
"	C. Baragwanath	<i>Public Accountability.</i> Paper presented to ASA Australian Capital Territory Division Government Accountants Group.
"	T. Wood	<i>The Role of the Manager and Auditor in Risk Management.</i> Presentation to South Australian Division of the ASA at 1989 State Congress.
"	J. Manders	<i>Current Directions in Public Auditing.</i> Presentation to Discussion Group of the Government Accountants Committee of the ASA.
"	R. Mifsud	<i>Current Auditing Issues.</i> Presentation to participants of the "Program Managers Finance" course conducted by the Monash University Public Sector Management Institute.
November	R. Mifsud	<i>The Role of the Auditor-General and External Audit.</i> Presentation to PSB's "Finance Officers Administrative Trainee Scheme".
February	J. Manders	<i>Accountability and Parliament - An Audit Perspective.</i> Paper presented to the "Government and the Public Service Program for Senior Executive Officers" conducted by the PSB.
March	R. Mifsud	<i>External Auditing.</i> Presentation to participants in the "Program Managers Finance" course conducted by the Monash University Public Sector Management Institute.
April	R. Mifsud	<i>External Auditing.</i> Presentation to participants in the "Program Managers Finance" course conducted by the Monash University Public Sector Management Institute.
May	T. Wood,	<i>Role and Function of the Office.</i> Presentation at a seminar organised by the Gippsland Branch of the ASA.
"	B. Dinelli	
"	J. Manders	<i>Accountability for Financial Management.</i> Presentation to Monash University MBA students.
June	C. Baragwanath	<i>Public Sector Accounting Issues.</i> Presentation to accountants organised by the Geelong Branch of the ASCPA and Deakin University's School of Management.
"	J. Manders	<i>Accountability and Parliament - An Audit Perspective.</i> Paper presented to the "Government and the Public Service Program for Senior Executive Officers" conducted by the PSB.
"	T. Wood	<i>Annual Reporting Requirements for Hospitals. An Audit Perspective.</i> Participation in "Annual Reporting Planning Workshop" conducted by the Victorian Hospitals Association.

OFFICE PUBLICATIONS**PUBLICATIONS ISSUED OVER THE PAST 5 YEARS****1985-86**

- First Report of the Auditor-General for the year ended 30 June 1985. (This report accompanied Finance, 1984-85, the Treasurer's Statement.)*
- Second Report of the Auditor-General for the year 1984-85.*
- Annual Report of the Operations and Audited Financial Statements of the Office of the Auditor-General for the year ended 30 June 1985.*

1986-87

- First Report of the Auditor-General for the year ended 30 June 1986. (This report accompanied Finance, 1985-86, the Treasurer's Statement.)*
- Annual Report of the Operations and Audited Financial Statements of the Office of the Auditor-General for the year ended 30 June 1986.*
- Report of the Auditor-General, Special Report No. 4 - Court Closures in Victoria, November 1986.*
- Second Report of the Auditor-General for the year 1985-86.*
- Report of the Auditor-General, Special Report No. 5 - Provision of Housing to Government Employees and Post-Project Appraisal Procedures within the Public Works Department, December 1986.*
- Report of the Auditor-General, Special Report No. 6 - Internal Audit in the Victorian Public Sector, December 1986.*
- Report of the Auditor-General, Special Report No. 7 - Motor Vehicles, April 1987.*

1987-88

- First Report of the Auditor-General for the year ended 30 June 1987. (This report accompanied Finance, 1986-87, the Treasurer's Statement.)*
- Annual Report of the Operations and Audited Financial Statements of the Office of the Auditor-General for the year ended 30 June 1987.*
- Report of the Auditor-General, Special Report No. 8 - Foreign Exchange, November 1987.*
- Report of the Auditor-General, Special Report No. 9 - Land Utilisation, November 1987.*
- Second Report of the Auditor-General for the year 1986-87.*

1988-89

- First Report of the Auditor-General for the year ended 30 June 1988. (This report accompanied Finance, 1987-88, the Treasurer's Statement.)*
- Annual Report of the Operations and Audited Financial Statements of the Office of the Auditor-General for the year ended 30 June 1988.*
- Report of the Auditor-General, Special Report No. 10 - Utilisation of Plant and Equipment and Youth Guarantee, November 1988.*
- Review of the Administrative Functions supporting the Parliament, November 1988.*
- Report of the Auditor-General, Special Report No. 11 - Financial Assistance to Industry, March 1989.*
- Report on Ministerial Portfolios, May 1989.*

1989-90

- Report of the Auditor-General on the Treasurer's Statement for the year ended 30 June 1989. (This report accompanied Finance, 1988-89, the Treasurer's Statement.)*
- Annual Report of the Operations and Audited Financial Statements of the Office of the Auditor-General for the year ended 30 June 1989.*
- Report on Ministerial Portfolios, May 1990.*
- Report of the Auditor-General, Special Report No. 12 - Alfred Hospital, May 1990.*
- Report of the Auditor-General, Special Report No. 13 - State Bank Group - Impact on the financial position of the State, May 1990.*

SPECIAL REPORTS

<i>Report no.</i>	<i>Title</i>	<i>Date issued</i>
1	<i>Works Contracts Overview - First Report</i>	June 1982
2	<i>Works Contracts Overview - Second Report</i>	June 1983
3	<i>Government Stores Operations and Departmental Cash Management</i>	October 1984
4	<i>Court Closures in Victoria</i>	November 1986
5	<i>Provision of Housing to Government Employees and Post-Project Appraisal Procedures within the Public Works Department</i>	December 1986
6	<i>Internal Audit in the Victorian Public Sector</i>	December 1986
7	<i>Motor Vehicles</i>	April 1987
8	<i>Foreign Exchange</i>	November 1987
9	<i>Land Utilisation</i>	November 1987
10	<i>Utilisation of Plant and Equipment and Youth Guarantee</i>	November 1988
11	<i>Financial Assistance to Industry</i>	March 1989
12	<i>Alfred Hospital</i>	May 1990
13	<i>State Bank Group - Impact on the financial position of the State</i>	May 1990

INDEX OF FINANCIAL MANAGEMENT ISSUES CONTAINED IN PAST REPORTS OF THE AUDITOR-GENERAL TO THE PARLIAMENT

Reports of the Auditor-General focus on issues of special interest concerning public sector resource management. Listed below are a number of items which have appeared in past reports, along with relevant issue and page references.

Accountability within the Victorian public sector, *Second Report*, March 1987, pp. 11-45

Accounting policies and disclosure practices, uniformity of, *Second Report*, March 1987, pp. 36-41

Accrual accounting, case for the adoption of - limitation of departmental cash accounting and reporting, *Second Report*, March 1987, pp. 45-7

Actuarial valuations, *Second Report*, April 1988, pp. 19-21

Administrative arrangements legislation, *Second Report*, October 1984, pp. 9-10

Alfred Hospital, *Special Report No. 12*, May 1990.

Annual Reporting Act 1983, *Second Report*, October 1984, pp. 2-6
March 1986, pp. 3-6
March 1987, pp. 16-18

Audit, internal-
in the budget sector, update
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1987-88, pp. 32-7
in the Victorian public sector,
Special Report No. 6, December 1986

Audit legislation, need for modern, *Report on the Treasurer's Statement*, 1988-89, pp. 7-11

Audit opinion on financial statements, qualified,
Report on Ministerial Portfolios -
April 1988, pp. 29-30
May 1989, pp. 310-13
May 1990, pp. 383-8.

Asset recording, *Second Report*, March 1987, pp. 53-4

Board members/directors of public bodies, responsibilities of, *Report on the Treasurer's Statement*, 1988-89, pp. 50-5

Bus contracting services in the education sector, *Report on Ministerial Portfolios*, May 1989, pp. 59-72

Cash management, departmental, *Special Report No. 3*, October 1984

Cleaning services within educational institutions, *Second Report*, April 1988, pp. 58-66

Community Employment Program, *Report on the Treasurer's Statement*, 1986-87, pp. 28-34

Community Health Centres, *Report on Ministerial Portfolios*, May 1989, pp. 107-15

Companies, trusts and joint ventures, investments in, *Second Report*, March 1987, pp. 25-35

Consolidated Fund, financial position of the, *Report on Ministerial Portfolios*, May 1990, pp. 359-63.

Consultants, engagement of, *Report on the Treasurer's Statement*, 1987-88, pp. 38-40

Council of Adult Education, *Report on Ministerial Portfolios*, May 1990, pp. 111-20

Court closures in Victoria, *Special Report No. 4*, November 1986

Debt centralisation, *Second Report*, April 1988, pp. 16-18

Disaster recovery planning for computerised systems, *Report on Ministerial Portfolios*, May 1989, pp. 305-9

Employee "bona-fides" and employee leave entitlements, *Second Report*, March 1987, pp. 51-2

Employee leave entitlements, preliminary review, *Second Report*, March 1986, pp. 13-14

Entertainment expenditure, *Report on Ministerial Portfolios*, May 1990, pp. 377-9

Financial assistance to industry, *Special Report No. 11*, March 1989

Financial management system, computerised, in the budget sector, *Report on the Treasurer's Statement*, 1986-87, pp. 46-52

Financial reporting, developments in, *Second Report*, April 1988, pp. 26-8

Foreign exchange, *Special Report No. 8*, November 1987

Housing for government employees, provision of, *Special Report No. 5*, December 1986

Insurance, *Report on the Treasurer's Statement*, 1986-87, pp. 34-7

Landata, *Report on Ministerial Portfolios*, May 1990, pp. 244-52

Land utilisation, *Special Report No. 9*, November 1987

Microcomputers in the public sector, *Report on Ministerial Portfolios*, May 1990, pp. 365-76

Motor vehicles, *Special Report No. 7*, April 1987

Outstanding revenue, *Report on the Treasurer's Statement*, 1986-87, pp. 38-41

Parliament-

accountability to, *First Report* - 1984-85, pp. 4-9
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reporting to (by departments and public bodies), *Second Report*, March 1987, pp. 19-24

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Plant and equipment, utilisation of, *Special Report No. 10*, November 1988

Police tendering procedures, *Report on Ministerial Portfolios*, May 1990, pp. 227-32

Post-project appraisal procedures within the Public Works Department, *Special Report No. 5*, December 1986

Privately sponsored projects, government funding of, *Second Report*, March 1986, p.15

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Second Report, March 1987, p.50
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Retrospective expenditure approvals, *Report on the Treasurer's Statement*, 1988-89, pp. 54-5

Risk management, *Report on the Treasurer's Statement*, 1987-88, pp. 28-31

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Subsidiary companies, reporting and auditing requirements, *Fourth Report*, April 1985, pp. 3-6

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Second Report -
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Schools Nursery, *Report on Ministerial Portfolios*, May 1990, pp. 100-4

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Werribee Farm operations, *Report on Ministerial Portfolios*, May 1989, pp. 285-92.

Works contracts overviews, *Special Reports Nos. 1 and 2*, June 1982 and 1983

Youth Guarantee, *Special Report No. 10*, November 1988