VICTORIA

ANNUAL REPORT

of the

OFFICE OF THE

AUDITOR-GENERAL

for the year ended 30 June 1986

prepared in accordance with the
Annual Reporting Act 1983

MELBOURNE
F D ATKINSON GOVERNMENT PRINTER
1986
The Hon. J. Cain, M.P.,
Premier of Victoria,
2 Treasury Place,
MELBOURNE, 3002.

Dear Mr. Cain,

Annual Report 1985–86
Office of the Auditor-General

In accordance with the requirements of the Annual Reporting Act 1983, I am enclosing the report of the operations and audited financial statements of the Office of the Auditor-General for the year ended 30 June, 1986.

Three copies of the report are enclosed, 2 to meet the requirements relating to presentation to the Parliament and one copy for your use. Arrangements have been made with the Government Printer for the printing of copies for use by the Parliament and for distribution subsequent to your tabling of the report as required by Section 8 of the Act.

Yours faithfully,

R.G. HUMPHRY
Auditor-General
OFFICE OF THE AUDITOR-GENERAL OF VICTORIA

1 Macarthur Street, Melbourne 3002
Telephone 651 9111

Senior Management of the Office

Auditor-General  R.G. Humphry
Assistant Auditor-General  F. Belli
Chief Director of Audits  L.J. Fewster

Directors:

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<th>J.W. Manders</th>
<th>J. Norman</th>
<th>N.N. Eyre</th>
<th>G.D. Towers</th>
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Chief Director of Audits  K.G. Hamilton

Directors:

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<th>R.A. Walker</th>
<th>T. Wood</th>
<th>J.E. Kehoe</th>
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Chief Director of Audits  J. Pinnis (Acting)

Directors:

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<th>D.A. Rigby (Acting)</th>
<th>T.V. Lant</th>
<th>G.T. Minster</th>
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ACKNOWLEDGMENT

On 17 June 1986 Mr Brian Waldron resigned from the position of Auditor-General of Victoria to take up a senior position with a banking corporation.

During the period of nine years that Mr Waldron served as Auditor-General he was instrumental in promoting the professionalism of his staff, enhancing the reporting process to Parliament and originating many other initiatives which made the Victorian Office one of the leading auditing institutions in Australia.

Mr. Brian Waldron

Milestones include the re-structure of the Office on a corporate model, the adoption of a systems based audit methodology, introduction of the comprehensive audit approach as the Office audit process and total revision of the style and content of the Auditor-General's reports to Parliament.

Mr Richard Humphry was appointed as Auditor-General from 18 June 1986.
INTRODUCTION

This report describes the objectives, 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 1986. The report focuses on matters relative to the organisation and management of resources available to the Auditor-General during the year, and is submitted to the Parliament under Section 8 of the Annual Reporting Act 1983.

Matters arising from audits undertaken by the Auditor-General during 1985-86 are not included in this document. In accordance with powers and responsibilities derived from the Audit Act 1958, the Auditor-General reports directly to Parliament on audit matters.

ESTABLISHMENT

The first Auditor-General of Victoria was appointed when Victoria became a separate colony on 1 July 1851. At the time, auditing was carried out against a background of instructions from England. In 1855, with the coming of responsible government, the first Victorian Constitution provided for an office of Auditor-General. Two years later a change was made by the appointment of 3 Commissioners of Audit.

An Audit Act passed in 1901 provided for the abolition of the positions of Commissioners of Audit and reverted to a single office of Auditor-General, which has been maintained since then.

In 1957 revisions were made to the existing legislation and incorporated into the Audit Act 1958 (No. 6203) which is currently the principal statute governing the appointment, tenure, duties, responsibilities and powers of the Auditor-General. Other provisions affecting the role and functions of the Auditor-General are contained in the Constitution Act 1975, the Public Account Act 1958, the Annual Reporting Act 1983 and the various enabling Acts establishing public bodies.

OBJECTIVES, STRATEGIES AND FUNCTIONS

In Victoria, as in other places operating under the Westminster system of government, the Auditor-General is responsible for the external audit of the financial affairs and activities of government agencies, i.e., departments and most public bodies. The Office of the Auditor-General is the machinery by which the legislative functions of the Auditor-General are carried out in Victoria.

Within this framework the objectives of the Office are:

(1) to support the Auditor-General in the provision of independent and objective analysis, evaluation and opinions to Parliament and the Executive to assist in their assessment of the financial performance of public entities in terms of:

  * fair presentation of financial statements;
  * adherence to legal and other requirements; and
maintenence of management procedures and systems to achieve economy and efficiency in the management of public resources and effectiveness in implementing Government programs; and

(2) to promote and encourage the development of sound financial and resource management practices in the public sector by the provision of professional external audit services to its auditees.

The Office therefore plays an important role in the accountability of the Executive to Parliament and in enhancing resource management in the Victorian public sector. Its strategies to fulfil this role are to:

* examine annually the accounts of departments and public bodies and report on whether their financial statements present fairly their financial affairs;

* provide an independent evaluation and appraisal of the financial systems of departments and public bodies in terms of their reliability, their compliance with statutory obligations and their impact on the operations of such organisations;

* obtain sufficient appropriate evidence through the performance of audit procedures to substantiate conclusions drawn, to document such evidence, and to present timely and constructive reports on significant matters;

* plan and utilise audit resources using modern audit methodology, to ensure adequate audit coverage at minimum audit risk of all departments and public bodies which come under the Auditor-General's responsibility;

* complete all audit tasks within prescribed reporting and budgetary deadlines; and

* improve the work related skills and abilities of all officers to ensure that each audit for which the Auditor-General is responsible is conducted in an efficient and professional manner and in accordance with the standards required by the Auditor-General.

Under the Audit Act 1958, the Auditor-General has right of access to all relevant accounts, books and papers for the purposes of an audit.

The Auditor-General reports independently to Parliament on the results of audits undertaken by the Office. He is an office-holder under the Crown and is subject to removal only by resolution of both Houses of Parliament. Independence from control either by the Parliament or the Executive in the exercise of his functions is assured by very wide powers granted by statute. The staff of the Office of the Auditor-General, however, are employed under the provisions of the Public Service Act 1974.

The Auditor-General has no executive power to enforce improvements in financial management and procedures. It is the responsibility of Parliament and of the Executive to act on reports of the Auditor-General as they think fit.
ACTIVITIES

SCOPE OF AUDIT ACTIVITIES

In Victoria, public sector activities are divided into 2 main areas of operation, generally referred to as the inner budget and outer budget sectors.

The inner 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 Management and Budget. Because Parliament appropriates authority to spend cash within the ensuing year, in the main the cash based system is used to record financial transactions of departments.

The outer budget sector comprises a large number of public bodies, many of which are established by separate legislation. These bodies enjoy greater financial autonomy than departments, are not generally funded by parliamentary appropriations, and are not subject to direct accounting and budgetary controls by the Department of Management and Budget. Generally speaking, their financial statements are prepared on an accrual basis of accounting.

The Auditor-General is not responsible for the audit of local government bodies, the State Bank and public hospitals.

Audit Process

To assist the Auditor-General in discharging 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 planning and conduct of an audit that examines and assesses the financial regularity, the compliance with legal and administrative regulation, and the economy, efficiency and effectiveness of auditee operations.

The comprehensive audit approach does not mean that each and every audit comprehensively examines 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 the whole range of criteria dictated by environmental factors, audit risk and materiality.

It should be noted that the Auditor-General's charter does not extend to reviewing Government policy. However, audit is concerned with the efficiency of implementation of policies by government agencies.

From the audit process the Auditor-General provides to Parliament the information it needs to assess the financial performance of government organisations in terms of fair presentation of financial statements, compliance with legal and other requirements, and maintenance of adequate management systems to obtain economy, efficiency and effectiveness of operations.

In addition to informing Parliament, reviews of management systems provide management with an independent assessment and constructive suggestions for
Discussing audit findings with management at the SEC

enhancing financial and resource management and accountability within the public sector.

There are 3 interlinked components of the comprehensive audit process.

Attest Component

In an attest audit the objective is the attestation of financial statements by expressing an audit opinion on the fairness of presentation of the financial statements. The role of audit in this case is to lend credibility to published annual financial statements. In most cases the attest audit involves 2 major phases:

* the evaluation of accounting systems in terms of the adequacy of internal controls and checks built into them to determine the extent to which reliance can be placed upon the information produced by the system. This is known as the systems based approach to auditing. Based upon the review of the system, tests are applied to the accounting records and supporting evidence obtained to form an opinion on the information contained in the financial statements; and

* the evaluation of the financial statements in terms of the full and relevant disclosure of information so as to provide a fair presentation. The criteria used in determining whether the financial statements are fairly presented include Australian Accounting Standards, Annual
Reporting Regulations (where applicable), legislative requirements and generally accepted accounting principles on matters of relevance, materiality and consistency.

In carrying out the attest audit the Auditor-General exercises functions similar to those of the external auditors of organisations in the private sector. However, consistent with the special reporting features of government auditing, the role of the Auditor-General in an attest audit embraces an additional external reporting component, namely, communicating to Parliament on matters arising from the audit process.

The financial statements covered by this attest audit role are:

1) **In the inner budget sector**:
   * The annual Statement prepared by the Treasurer incorporating the transactions of the Consolidated Fund and the Trust Fund which cover the total financial transactions of the inner budget sector. The Audit Act 1958 requires the Auditor-General to report to Parliament on this Statement; and
   * The annual financial statements prepared by each administrative unit declared to be a department under the Annual Reporting Act 1983.

2) **In the outer budget sector**:
   * The annual financial statements of outer budget sector organisations as required by the legislation establishing such bodies; and
   * The annual financial statements of 8 outer budget organisations which have been declared public bodies for the purposes of the Annual Reporting Act 1983. In their cases audit opinions are expressed in conformity with the specific requirements of that Act. It should be noted that the Annual Reporting Act 1983 overrides the reporting and auditing provision of the enabling legislation which originally established a declared public body.

**Regularity Component**

The regularity audit has as its objective a review of the organisation's adherence to relevant financial legislation, regulations, directives, other rules of a binding nature and to inform Parliament of any departure from these requirements.

**Value for Money Component**

The objective of a value for money audit is an expression of opinion as to the adequacy of systems and procedures in place to monitor and promote economy, efficiency and effectiveness in auditee operations. The value for money audit is integral to the annual audit process within individual organisations and is supplemented by selective across-the-board reviews covering more than one organisation.
Evaluating the monitoring and promotion of economy and efficiency of operations involves:

* identifying the systems which management has in place to monitor and promote efficiency within the organisation. These include procedures by which operational responsibilities are identified and delegated, accounting and other information systems, and the presence of internal control systems. These systems are evaluated in terms of promoting the economy and efficiency of operations by reference to pre-determined standards and criteria; and

* evaluating whether management is provided with regular, timely and relevant reports which include information on outputs and their related inputs.

Evaluating the monitoring of effectiveness of operations involves:

* identifying major policy objectives, programs and activities of the organisation;

* ensuring that these objectives are consistent with legislative or Ministerial directives, are measurable and have been quantified;

* ensuring that operational objectives have been set for all levels of the organisation, that they are consistent with policy objectives and that they are not dysfunctional; and

* assessing the adequacy of mechanisms in place to monitor effectiveness, to provide feedback to relevant managers and to encourage appropriate action.

Audit Responsibilities

At 30 June 1986 the Auditor-General had specific responsibilities for the audit of:

* twenty-five administrative units declared to be departments to which the provisions of the Annual Reporting Act 1983 apply and the accounts of Parliament. The audit of administrative units includes several hundred of their constituent branches or district offices located throughout Victoria (e.g. courts, police stations, forests and lands offices, psychiatric hospitals, corrective institutions);

* eight government business undertakings which have been declared to be public bodies for the purposes of the Annual Reporting Act 1983;

* one hundred and fourteen public bodies not subject to the annual reporting legislation, the reporting and auditing requirements of which are prescribed by individual statutes;

* one hundred and seventy-four water authorities comprising 103 Water Boards, 42 Municipalities and 29 River/Drainage Management Boards. In the main, the audit of water bodies is conducted by private practitioners appointed as agents of the Auditor-General; and
fifty-six post-secondary and tertiary educational institutions comprising Universities and associated companies, Colleges of Advanced Education and Technical and Further Education Colleges. During 1985–86 the responsibility previously undertaken by the Office of overseeing the audits of approximately 2,000 school councils (whose accounts are audited by private practitioners and the Ministry of Education) was transferred to the Director-General of Education;

* special purpose grants provided by the Commonwealth to the State, the expenditure of which is subject to certain terms and conditions.

The chart below indicates the percentage of audit time devoted during 1985–86 to the various audit areas detailed above for which the Auditor-General has responsibility. A complete list of auditees at 30 June 1986 is provided in Appendix 1 and a list of changes to audit responsibilities during 1985–86 is contained in Appendix 2.

The output of the Office can therefore be summarised as follows:

* audit reports by the Auditor-General on financial statements, which are published in conjunction with the financial statements to which they refer;

* the Auditor-General’s Reports to Parliament, which contain comments arising from the audits undertaken during the year, or on special matters which the Auditor-General thinks fit to report;

* management letters and annual audit reports to auditee organisations, drawing attention to weaknesses or problems uncovered during any audit, and containing recommendations to address these problems or weaknesses; (copies of annual audit reports are also forwarded to the Treasurer and the responsible Minister); and

* audit reports which certify to the Commonwealth Government as to expenditure from various Commonwealth provided funds.
OFFICE OF THE AUDITOR-GENERAL

R. HUMPHRY
AUDITOR-GENERAL

F. BELL
ASSISTANT
AUDITOR-GENERAL

EXTERNAL POLICY
AND PRACTICES
ADVISORY PANEL

INTERNAL
OPERATIONAL
REVIEW UNIT

L. FERSTER
CHIEF DIRECTOR
GROUP 1

J. MANDERS
DIRECTOR
DIVISION C

J. NORMAN
DIRECTOR
DIVISION D

N. EYRE
DIRECTOR
DIVISION E

G. TOWERS
DIRECTOR
DIVISION F

M. DE JONG
DIRECTOR
DIVISION G

R. WALKER
DIRECTOR
DIVISION H

T. WOOD
DIRECTOR
DIVISION I

J. KINGSIC
DIRECTOR
DIVISION J

T. LANT
DIRECTOR
SPEC PROJ

M. KANE
DIRECTOR
R&D DIVISION

D. RICKBY
DIRECTOR
EDP DIVISION

G. WINTER
MANAGER
ADMIN SERV

MAJOR AUDITS

MAJOR AUDITS

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MAJOR FUNCTIONS

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MAJOR FUNCTIONS

EDUCATION

UNIVERSITIES

TERTIARY COLLEGE

PLANNING &
ENVIRONMENT

PROPERTY &
SERVICES

GOVERNMENT

PRINTING

HEALTH

COMMUNITY

SERVICES

IT &
S.E.C.V.

GAS & PETROL

CORPORATION

TOURISM

HOUSING

POLICE

SPORT &
RECREATION

FIRE

AUTHORITIES

RACING

BOARDS

TATTERSALLS

M.M.W

CONTRACT AUDITS

WATER

LOCAL GOV.

WATER RESOURCES

RURAL WATER

COMMISSION

C.F.&.L

LABOUR

PARLIAMENT

AGRICULTURE

& RURAL

AFFAIRS

RURAL

FINANCE

TRANSPORT

PORT

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ROAD CONSTR.

GRAIN

ELEVATORS

ROAD

TRAFFIC

CONSUMER

AFFAIRS

ETHNIC

AFFAIRS

LAW

PUBLIC TRUSTEE

LEGAL AID

PREMIER & CAB

OFFICE OF

CORRECTIONS

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P.S.B.

D.M.B

SUSTAINABILITY

TAXATION

S.I.O.

PUBLIC

WORKS

MOTOR

ACCIDENT

WORCESTERS

ACROSS THE

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SPECIAL

ASSIGNS.

RESEARCH

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REVIEWS

PROF. DEP.

EDITORIAL

REPORTS

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SUPPORT

SERVICES

TRAINING

IN-HOUSE

SYSTEMS

EVALUATION

COMPUTER

AUDIT

TECHNIQUES

DEVELOPMENT

ADMIN

PERSONNEL

FINANCE

STORES &
TRANSPORT

ACCOM

INFORMATION

MANAGEMENT

WORD

PROCESSING

AS AT 30 JUNE 1986
ORGANISATION

The functions of the Office are carried out through a corporate management structure, as shown in the Office's organisation chart on page 8 of this report.

There are 3 major functional activities in the Office's organisational structure. These are the Office Executive, the 2 Operations Groups, and the Support Services Group.

The Office Executive is also supported by a Panel of Advisors who provide an expert financial and private sector perspective, and the Internal Operational Review Unit which provides an internal audit and review function.

Office Executive

The Office Executive is composed of the Auditor-General, Assistant Auditor-General, and 3 Chief Directors. It is responsible for Office policy and the overall planning and co-ordination of Office operations.

Functionally, the Auditor-General has the role and all the duties of a Chief Administrator and the Assistant Auditor-General is his Deputy.

The Assistant Auditor-General is responsible for the overall management of the Office and effects this via the Chief Directors who are each responsible for the day-to-day operations of a functional group and operate under broad policy guidelines.

Audit Operations

Group and Divisional Structure

Field audit operations are carried out by 2 Groups, each under the management of a Chief Director. Both operational Groups comprise 4 Divisions which are headed by Directors of Audit.

Each of the operational 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 current audit responsibilities of each Division is contained in the organisational chart on page 8 of this Report.

Audit Planning and Control

Long term strategic plans projecting Office activity over the next 5 years are the basis for all audit work. A strategic plan for each auditee is maintained on a computerised planning system which provides the base information for preparation by Divisions of the detailed annual audit plan at each auditee.

Areas for audit are chosen on the basis of perceived audit risk and materiality, and the work scheduled to allow for the effective utilisation of human resources.

A computerised management information system is used to monitor on a fortnightly basis the progress of each audit activity. The system also progressively displays the cost of conducting all audit work and has the ability
to raise audit fees for outer budget bodies and to compute notional fees for non-chargeable audits in the inner budget sector.

All audits are conducted by professionally qualified staff using the Office's comprehensive audit process, and in accordance with Australian Auditing Standards. With the exception of the smaller and specialised audits, all attest audit work is undertaken using systems based methodology.

Audit staff up to the level of Audit Manager are expected to spend at least 80 per cent of their time on operational audit work, the balance being taken up by professional development, short periods of secondment on research activities, and leave of absence.

Support Services

The Support Services Group operates under the direction of a Chief Director and comprises 4 divisions, each headed by a Director. The Research and Development Division, the E.D.P. Audit Division and the Special Projects Division provide professional support services to the operational audit Divisions. The Administrative Services Division provides corporate services for the Office.

Research and Development

The Research and Development Division is responsible for training staff in both audit management and practice and for technical advice and consultancy assistance to audit staff on accounting and auditing matters.

In addition, it undertakes research on developments in accounting and auditing theory and practice affecting the public sector, develops Office practices and standards, liaises with parliamentary committees, co-ordinates the preparation of the Auditor-General's reports to Parliament, and administers the library and reference services of the Office.

E.D.P. Audit

The E.D.P. Audit Division provides consultative services and technical support for operational audit staff on E.D.P. matters, develops computer assisted audit techniques for use by audit staff, researches new developments in E.D.P. auditing, and co-ordinates the E.D.P. audit training program.

The Division is also responsible for the development and technical support of administrative E.D.P. systems within the Office. This involves maintenance of several application systems, support of the Office's 12 terminal local area Network, a support service for all users of E.D.P. systems in the Office, and implementation of the Office strategic plan for the use of information technology to bolster operational efficiency.

Special Projects

The Special Projects Division is responsible for the conduct and co-ordination of across-the-board audit assignments and provides technical advice, assistance, and training to operational Divisions and special teams on the conduct of these audits.
Administrative Services

The Administrative Services Division is responsible for the provision of the corporate services of the Office. The services include personnel administration, recruitment, general administration (office accommodation, security, secretarial services), information services, accounting and financial matters, and office services (registry, stores, transport).

Panel of Advisors

At 30 June 1986 the members of the Auditor-General's panel of advisors on matters of accounting and auditing significance in the public sector were:

- Mr. G. Gummig of Lockwood Partners, Echuca;
- Mr. H. N. Hewitt of Touche Ross and Company, Melbourne;
- Mr. D. G. Neilson of Day Neilson Jenkins and Johns, Geelong; and
- Mr. R. Watts of Deloitte Haskins and Sells, Melbourne.

In December 1985 Mr. D.T. Greenall retired from the panel, having made a most valuable contribution during his period of membership. Mr. Greenall's place on the panel was filled by Mr. H.N. Hewitt in March 1986.

Over the year the panel met with the Auditor-General on 4 occasions and provided valuable independent advice on a range of matters, including:

* the use of private practitioners as agents of the Auditor-General in the audit of water authorities;
* matters relative to possible qualifications of 1984-85 financial statements;
* implementation of the recommendations contained in the report of the Office Working Party on Future Information Technology;
* the continued seconding and interchanging of audit staff between the private and public sectors; and
* various other matters affecting the internal administration of the Office.
REVIEW OF OFFICE ACTIVITIES IN 1985–86

AUDIT OPERATIONS ACTIVITIES

Reports to Parliament

In 1985–86 the Auditor-General tabled 2 reports in the Legislative Assembly. These were:

* First Report (tabled on 25 September 1985) which was accompanied by the Treasurer's Statement for the year ended 30 June 1985 and set out the Auditor-General's report on that Statement, as required by the Audit Act 1958. In addition, the First Report contained comments on several matters of special interest relating to broad issues arising from the financial operations of the State; and

* Second Report (tabled on 25 March 1986) which contained observations and recommendations arising out of the audits of government departments and public bodies. The Second Report consolidated information concerning the annual audits of departments and public bodies which in past years had been presented to Parliament in 3 separate documents tabled in the period October to April. The change was introduced to enable Parliament to receive information from the Auditor-General in a brief and concise form, classified in accordance with Ministerial responsibility, and to allow Parliamentary committees more time to consider the Report.

A report on the operations of the Office for the year ended 30 June 1985, accompanied by the audited financial statements of the Office for the same period, was transmitted to the Premier on 24 September 1985 for presentation to Parliament in accordance with the Annual Reporting Act 1983. This report and financial statements were tabled in Parliament on 15 October 1985.

Each of the Auditor-General's Reports was 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 were also distributed by the Office to audited entities, to government Audit Offices within Australia and in certain other countries, and to a number of other relevant organisations and interested individuals.

Information Technology Working Party

The Office established a working party in March 1985 to review the potential uses of information technology to enhance operational efficiency in the Office.

In November 1985 the working party proposed a strategy plan and made some 57 separate recommendations in the areas of information management, office work environment, human resource considerations, and audit methodology. Substantial recommendations were made in the area of information creation and management, where enhancements in productivity were expected to be achieved through:

* increased availability and sharing of information;

* more timely production of audit reports;
improved planning and control of audits; and

* a more rational allocation of resources.

The recommendations and strategy plan advocated by the working party were adopted by the Office Executive in December 1985, and in the same month a proposal was forwarded to the Government for funding for the strategic plan's implementation. In April 1986 the Government's Priorities Planning and Strategies Committee gave approval for the Office to seek proposals by open tender for the supply of computer and other equipment needed to implement the recommendations.

At 30 June 1986 the request for tender for the supply of this equipment was being developed.

**Totally Integrated Planning System**

To assist in audit planning, a new long term planning process was developed by the Office this year. The process develops a strategic plan for each auditee over a 5 year cycle and has been given the acronym TIPS (Totally Integrated Planning System). TIPS runs as an application system on the Office Network. There are 3 major stages in developing each TIPS plan:

1. identification and quantification of all areas of audit concern (auditable areas);
2. classification of auditable areas into groups (audit systems) that compose the logical subject of an single audit; and
3. conduct of a risk analysis for each audit system to plan the frequency, style, and resources allocated to audits of that system throughout the 5 year cycle.

The most important features of TIPS are:

* it ensures that a consistent planning approach is adopted at each auditee;
* it identifies all aspects of an auditees financial operations and assesses them from an audit perspective;
* it provides increased visibility of the audit planning process, and greatly increases its ability to be reviewed; and
* it forms the basis for the development of the detailed annual audit plans.

**Management Letters**

In the course of interim audit inspections undertaken during 1985–86 there were many formal and informal communications with the managements of audited bodies.
The formal communications were mainly in the form of management letters which gave details of system weaknesses, technical deficiencies, minor irregularities etc. disclosed by audit. They also drew attention to and sought management response on audit comment relating to matters of an administrative or technical nature prior to finalisation of the annual audit.

**Contract Audits – Water Industry**

There is an ongoing practice of engaging private sector auditors to act as agents of the Auditor-General to conduct the audits of water authorities restructured under the Water and Sewerage Authorities (Restructuring) Act 1983. All appointments of agents by the Office are made from a register of qualified persons who have expressed an interest in undertaking audits on behalf of the Auditor-General.

In contracting audits in the water industry to the private sector, the Auditor-General retains the responsibility for providing the audit opinion on the financial statements. The agent is provided with audit guidelines and on completion of the audit all working papers of the agent are reviewed by staff of the Auditor-General's Office. The Auditor-General fixes levels of remuneration to agents and collects fees charged to auditees for audit services.

During the year, 194 annual audits of water authorities were finalised for which agents were paid $353,743.
SUPPORT SERVICES ACTIVITIES

Professional Development

To maintain the high level of skill required to professionally discharge its operational responsibilities, the Office has a policy of spending 6 per cent of resources on training. In 1985-86 the Office again effected this policy by conducting a comprehensive professional development program. The program is developed annually and is designed to identify and progressively meet the personal and technical skills needs of officers at each organisational level.

The program comprised a wide range of courses. These included technical training sessions on systems based audit methodology, value for money auditing principles and practices, EDP auditing techniques, and management and supervisory skills. The courses involved presentations and activities by a combination of in-house and external lecturers. A summary of the courses conducted during the year is contained in Appendix 3.

In addition to attending courses run by or conducted exclusively for the Office, members of staff also participated in courses conducted by external organisations. One such course, significant in terms of developing management skills, was the 6 weeks residential advanced management program presented by the Australian Administrative Staff College which was attended by one of the Office's senior audit staff.

The Office also continued its policy of supplementing the formal training program and on-the-job training with the attendance of officers at selected external conferences and conventions. The most significant of these conferences are listed in this report under "Professional Activities".

In April 1986, a 2 day residential senior management conference with the theme of "Office Productivity" was held to discuss key issues facing the Office and to plan future strategies for meeting Office objectives.

The development and implementation of the 1985-86 professional development program has required a significant commitment of Office resources. However, a comprehensive program is considered essential in ensuring consistency of audit approach, equality of training and a structure in which all officers can pursue their professional development in accordance with their personal needs and requirements.

Performance and Development Review Schemes

The Performance and Development Review Scheme is designed to monitor work performance and identify the training needs of each officer below Senior Executive Service (SES) level through a process of annual assessment and counselling. The Scheme provides a mechanism to review and discuss officers' performance and career aspirations, and provides valuable input to the preparation of the annual professional development program of the Office.

Officers occupying SES level positions in the Office are required to prepare annual performance improvement plans under a performance management framework established by the Public Service Board. The contents of plans are negotiated between SES officers and their supervisors. The plans and officers'
performance are progressively reviewed during each year and a final grading of performance is determined at year end.

Research Activities

1985-86 saw the development of a formalised research program within which Office policy and training material were developed. Projects were assigned to field audit staff under the direction of the Research and Development Division and covered a range of accounting and auditing issues including:

- employee leave entitlements;
- investments and borrowings; and
- operation of the Annual Reporting Act 1983 and Regulations.

Other research and policy development activities undertaken during the year included:

- preparation of material on matters of special interest for inclusion in Reports of the Auditor-General to Parliament;
- preparation of submissions and briefing material for Parliamentary Economic and Budget Review Committee enquiries and investigations;
- undertaking of research and provision of advice on financial reporting issues relevant to the Auditor-General's Reports on financial statements; and
- preparation of submissions to the Australian Accounting Research Foundation on accounting and auditing exposure drafts issued by the Foundation.

Library and Information Services

Ongoing change in financial and business operations in the public sector and the changing nature of audit have dramatically increased the information needs of the Office. In recognition of this need the quality and scope of library information services available to the Office, both internal and external, were reviewed.

This review concluded that significant economy of operations could be gained by the Office with the availability of an effective specialist library, and from access to computerised information services.

Resulting from this review a full-time librarian was appointed in March 1986. To date the librarian has restructured the physical layout of the library, developed a policy for the review and extension of the collection, begun cataloging the existing collection, installed a microcomputer based cataloging and borrowing package, and established access to several bibliographic database services.

The Office bi-monthly house magazine "Network" was supplemented in 1985-86 through the introduction of a fortnightly bulletin sheet designed to ensure that staff are kept up-to-date on Office activities.
Specialist E.D.P. Audit Assistance

In its role of providing E.D.P. services to the Office, some 31 formal requests for E.D.P. audit assistance were responded to by the E.D.P. Division in 1985–86. These included environment reviews, application reviews and new systems development reviews.

Development of Computer Assisted Audit Techniques

Emphasis is increasingly placed by the Office on the use of computer assisted audit techniques to provide better audit coverage and effect more efficient audits. In addition, in recognition of the need to ensure value for money, priority is given to projects which are of benefit to several, rather than a single audit. In light of this the Office has, over the past year, initiated the development of 2 major new tools.

In the first instance, a generalised set of computer programs was developed which could be implemented in any FM80 accounting application system (which is being installed in most departments). This project was aimed at providing auditors who had little or no knowledge of the FM80 system with access to the FM80 information data base for analysis, exception reporting and sampling.

The second project involved the concentration and transfer of payroll data for any department from the centralised PAYCOST system into one data base for audit interrogation. During this process the payroll data is verified, rationalised and subjected to analysis by a variety of audit programs. The system also allows for the downloading of a subset of the payroll data from the main database to a portable microcomputer. This microcomputer has available on it a variety of software tools that are menu driven and use "English" like syntax for commands. The combination of these tools, and the practical availability of the payroll data, provides the auditor with a new and more flexible, efficient and independent approach to the payroll audit.

In addition to these 2 initiatives, a range of other specific computer assisted audit techniques were also developed.

Enhancement of the Office Network

The introduction of the Office Network in 1984–85 has had a beneficial impact on officers' use and confidence with computers. The steadily increasing use of the equipment and the availability of several new systems on the Network was imposing a heavy workload, such that online storage was at 95 per cent of capacity and average terminal usage was up to 4.2 hours per day in April 1986. To ease this load 2 additional work stations, a faster control (server) station and more on-line disk storage were purchased. This has reduced usage to a more reasonable 80 per cent and 2.6 hours respectively.

During the year increased demand was also made of 2 portable computers. These computers were well suited for work to be carried out at the site of the audit and for auditors to learn about computers in their own time and at home during weekends. To meet the demand for this usage 2 additional portable computers were purchased.
Developments in Corporate Services Delivery

During the year a number of initiatives were undertaken to improve delivery of support services to the Office. Amongst them were:

* a microcomputer based accounting system was installed to provide a more economical and efficient mechanism to record the financial operations of the Office and to upgrade the financial reporting capacity to management. The system is currently being tested and will be implemented in September 1986;

* the Office Records Disposal Schedule was fully implemented, enabling rationalisation of the registry filing system;

* additional ergonomic furniture was installed in the Word Processing Bureau to provide a safer working environment for operators located in the Bureau;

* the Word Processing Bureau installed procedures which enabled it to prepare documents on the Office Network as well as on the stand alone word processing equipment; and

* relocation of the Office was vigorously pursued, and the final Office Accommodation Planning Brief was agreed with the Department of Property and Services.

STAFFING MATTERS

Staffing Levels

At the date of the Office's last return under the Survey of Public Sector Employment (20 June 1986) the following numbers of persons were employed in the Office (21 June 1985 figures are given in brackets):

<table>
<thead>
<tr>
<th></th>
<th>Females</th>
<th>Males</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Officers</td>
<td>31 (36)</td>
<td>93 (111)</td>
<td>124 (147)</td>
</tr>
<tr>
<td>Temporary Officers</td>
<td>5 (0)</td>
<td>17 (0)</td>
<td>22 (0)</td>
</tr>
<tr>
<td>Exempt Officers</td>
<td>3 (5)</td>
<td>2 (2)</td>
<td>5 (7)</td>
</tr>
<tr>
<td></td>
<td>39 (41)</td>
<td>112 (113)</td>
<td>151 (154)</td>
</tr>
</tbody>
</table>

* One officer employed on a permanent part-time basis.

Gains and losses of staff (including exempt staff) in the year ended 30 June 1986 were:

<table>
<thead>
<tr>
<th></th>
<th>Audit Staff</th>
<th>Support Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gains</td>
<td>34 (31)</td>
<td>11 (4)</td>
</tr>
<tr>
<td>Losses</td>
<td>32 (23)</td>
<td>10 (9)</td>
</tr>
</tbody>
</table>

For the purposes of comparison, figures for 30 June 1985 are given in brackets in the table above.
Recruitment

As a result of the campus interview program conducted early in 1985, 9 accounting graduate recruits were appointed to base level Auditor positions in January 1986. This number was supplemented by a further 12 recent graduates recruited in April 1986 as a result of advertisement.

During the year the Office also successfully made appointments to a diverse range of senior positions in both the audit operations and professional support areas. Competition for audit staff at both base level and more senior levels continues to be strong, but the Office is confident of continuing to attract staff of high calibre.

Graduate Recruitment Program

This year the Office's graduate recruitment program was extended to cover the campuses of country as well as metropolitan tertiary institutions.

Senior officers, accompanied by recent graduates visited the campuses of 13 tertiary education institutions (7 in 1984-85) and conducted preliminary interviews with 111 final year accountancy students.

At the time of preparation of this report 24 offers of employment had been accepted, including 3 graduates commencing duty in July 1986.

The results of the 1985-86 program, together with comparative figures for 1984-85 (in brackets), are shown in the schedule below:

<table>
<thead>
<tr>
<th></th>
<th>Females</th>
<th>Males</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>First interview</td>
<td>34 (26)</td>
<td>77 (59)</td>
<td>111 (85)</td>
</tr>
<tr>
<td>Offer of second interview</td>
<td>19 (13)</td>
<td>54 (29)</td>
<td>73 (42)</td>
</tr>
<tr>
<td>Attendance at second interview</td>
<td>17 (9)</td>
<td>40 (16)</td>
<td>57 (25)</td>
</tr>
<tr>
<td>Employment offer</td>
<td>14 (3)</td>
<td>18 (8)</td>
<td>32 (11)</td>
</tr>
<tr>
<td>Acceptance</td>
<td>10 (2)</td>
<td>14 (7)</td>
<td>24 (9)</td>
</tr>
</tbody>
</table>

Senior Executive Service

Sixteen staff of the Office are members of the Senior Executive Service (SES). Formal performance assessments for the determination of performance pay levels for those officers were carried out in September 1985. In addition, new performance improvement plans were developed for the 1985-86 year.

During the year 4 officers from the administrative ranks joined the SES. They were:

Mr. M. Kane, Mr. G. Towers, Mr. R. Walker and Mr. T. Wood.
The following SES officers retired in 1985–86:

Mr. J. Campbell, Mr. R. Evans, Mr. J. Wenmouth and Mr. J. Whelan.

Early in 1986 the one year contract terminated under which Mrs. M. Crossley had been appointed to perform the duties of a Director of Audit. Mrs. Crossley then returned to her position as a partner in Ernst and Whinney, a major private accounting firm.

The Chief Director of Audits (Resources) Mr. D. Shand was granted 12 months leave without pay from January 1986 in order to head the Financial Management Support Services unit of the New Zealand Treasury.

Audit Classifications

An additional audit classification – that of Senior Audit Manager (Administrative Officer ADM-8) – was established during the year. The incumbents of the 4 positions established are responsible for the management of the largest and most complex audits in the Office.

Other Staffing Initiatives

Secondments

A number of secondments at middle management level were arranged both into and out of the Office of the Auditor-General during 1985–86.

Interchange arrangements were made with one of the major private accounting firms under which:

* Mr. M. Strickland, an Audit Manager from the Office, was attached to the Audit Division of Arthur Andersen and Company for 6 months; and

* Mr. G. Anderson, EDP Audit Manager from Arthur Andersen and Company, worked for 3 months in the EDP Audit Division of this Office.

Two other secondments were made within the public sector:

* Mr. S. Cowan from the Prison Industries Commission commenced a one year appointment as an Audit Manager in a field Division of the Office; and

* Mr. K. Barnes, an Audit Manager in the Office, was seconded to the Department of Property and Services to undertake a special project for 2 months.

International Student Exchange

For the first time the Office was involved in an exchange program with the International Association of Students in Economics and Business Management.

Under the program, Mr. D. L'Etoile, a commerce graduate from Quebec, Canada, commenced 12 months work experience in the Office in January 1986.
Mr. L'Etoile is undertaking research and field audit assignments, with the cost of his employment being met by the Office.

**Co-operative Education (Sandwich Students) Program**

The Office continued its decade-long involvement in the co-operative education program conducted by Royal Melbourne Institute of Technology. Under the program accountancy students spend the third or "sandwich" year of their 4 year degree course employed on a variety of audit tasks in field Divisions. This work experience complements their academic studies.

In December 1985 the 4 sandwich students who had been employed for that calendar year completed their placements. Another 4 students commenced work in the Office in January 1986.

![On the job training for a sandwich student](image)

**Administrative Trainees**

Four placements were made in the Office under the Public Service Board's Administrative Trainee Scheme. During their 3 month attachment to the Office the trainees were engaged either on research/development projects relating to the audit function or on specific field audit assignments.

**Youth Guarantee Scheme**

One appointment was made in the Word Processing Bureau under the Youth Guarantee Scheme during 1985–86. The Scheme seeks to reduce some of the
difficulties encountered by young people in obtaining training and work experience.

Clerical Officer Profile Enhancement Scheme

The Office addressed the requirements of this scheme, which is designed to improve the career prospects of clerical officers within the Victorian Public Service.

Reorganisation of Support Services

Over the past year substantial progress has also been made on a proposed reorganisation of the professional support and corporate services of the Office. As an initial step, the Chief Director of Audits (Resources) assumed responsibility for the Administrative Services Division, as well as for the Divisions providing professional support services.

POLICY AND PROCEDURAL MANUALS

Staff of the Office now use several manuals which were introduced to consolidate information on policies and procedures and to promote standardisation in their application to the work of the Office. These are:

* the General Audit Manual, which sets out the Office’s general policies and procedures relating to the audit function and is designed to assist in achieving a consistent and professional approach to all audits;

* the Administrative Manual, which sets out job descriptions, professional development policies, EEO policies and general administrative procedures and directives; and

* other manuals used in the documentation of personnel procedures, job information, records management and accounting procedures, and in the auditing of courts and water authorities.

OFFICE ACCOMMODATION

In the past 12 months the Office has continued to press for improved and expanded accommodation, office furnishings and facilities. In conjunction with the Department of Property and Services, considerable effort was made towards completion of a final Office Accommodation Planning Brief.

Among the matters which have been addressed in the Accommodation Planning Brief are:

* provision of conference facilities;

* upgraded furniture;

* an improved telecommunications system;

* increased office security; and

* more appropriate space utilisation and office layout.
The Office will be seeking an early response to this Brief once it is completed. Improved accommodation is regarded as essential to the maintenance of staff effectiveness and efficiency.

PROFESSIONAL ACTIVITIES

The Office has a commitment to continuing involvement in a range of activities connected with the accounting and auditing profession and public sector management. In 1985-86 this included:

International Meetings and Overseas Visits

1. Heads of South Pacific Region Audit Offices

   The Assistant Auditor-General represented Victoria and delivered a paper at the 5th Conference of Heads of Audit Offices in the South Pacific Region, held in Nuku'alofa, Tonga in November 1985. The 11 participating Audit Offices discussed such issues as the role and responsibility of an Audit Office, planning and management of the audit task, extension of the Auditor-General's role beyond the financial attest audit, audit approaches to specific types of organisations, and staff training.

2. Discussions with New Zealand Audit Office

   Prior to his attendance at the Heads of Audit Offices Conference, the Assistant Auditor-General visited Wellington for 2 days of talks with the Controller and Auditor-General of New Zealand, on the preparation and presentation of annual reports to Parliament, current usage of information technology and Audit Office organisation and structure.

3. Consortium on Government Financial Management

   The Chief Director of Audits (Resources) attended a 6 day International Consortium on Government Financial Management held in London, England during September 1985. The Office is currently a member of this Consortium.

International Visitors

1. Auditor-General of China

   In April 1986, Mr. Lu Peijian, the Auditor-General of the People's Republic of China, accompanied by his Deputy Auditor-General, Mr. Li Jinhua and other officials, visited Melbourne while in this country to attend the International Congress of Supreme Audit Institutions.

   During Mr. Lu's brief stay in Melbourne, the Victorian Auditor-General and senior members of the Office and the Chinese visitors shared information on audit approaches, developments in financial management, and organisational issues in their respective countries. The Office also arranged for Mr. Lu and his party to meet senior finance personnel of a large commercial enterprise during their visit.
2. **Canadian Audit Official**

A Director of Audit in the Office of the Provincial Auditor of Ontario, Canada, Mr. G. Peall, spent a week during February 1986 in discussions with senior Office staff on issues related to audit planning and reporting, staff training, use of information technology, and value for money auditing. Mr. Peall’s visit continued the first-hand exchange of information and experience between the Audit Offices of Victoria and Ontario established in previous years.

3. **New Zealand Audit Office Representatives**

A close relationship also continued to be fostered with the Audit Office of New Zealand.

In March 1986 the Deputy Controller and Auditor-General of New Zealand, Mr. W. Cameron, came to Melbourne to meet with members of the Office Executive for discussions on a range of planning, corporate management, audit methodology and information technology issues.

Two months later, following the 1986 EDP Auditors Association Conference, 2 other members of the New Zealand Audit Office spent time with Office staff learning about EDP audit techniques used in Victoria.

4. **International Trainees**

The Office was again involved in presentations to trainees from various developing countries attending the International Training Institute, based in Sydney. A group of 16 trainees participated in the Institute’s Financial Planning and Budgeting Course held in Melbourne over a period of 3 days in November 1985.

Subsequently, the Office provided one-week placements for 2 other Institute trainees – an Assistant Director of the General Treasury of Sri Lanka and an Accountant of the Ministry of Finance, Mauritius. The placements gave the trainees an opportunity for gaining a more detailed insight into audit operations in this State.

In late June 1986, a consultant lecturer from the Institute visited the Office for talks on the development of course material for segments of the Institute’s courses dealing with public sector accounting and administration.

**Participation in Major Conferences**

1. **Meeting of Deputy Auditors-General**

The South Australian Audit Office convened the 4th Biennial Meeting of Deputy Auditors-General in Adelaide in February 1986. The Assistant Auditor-General represented Victoria at the Meeting, in which the Audit Offices of Fiji and New Zealand, as well as those of the Commonwealth of Australia and the States, participated.
Matters canvassed during the 2 1/2 days of informal discussions included public sector accounting, auditing and reporting standards; scope, practice and methodology in auditing; Audit Office organisation; professional development; promoting the professional image; and internal audit functions.

2. **Australian Society of Accountants**

The Auditor-General attended the Centenary Conference of the Australian Society of Accountants, held in Adelaide in mid-November 1985.

Office members also participated in the 1985 State Congress of the Society’s Victorian Division in Melbourne.

3. **Annual Conference of EDP Auditors Association**

The Acting Chief Director of Audits (Resources) chaired the organising committee of the 1986 Conference of the EDP Auditors Association. Several members of staff attended sessions of the Conference, held in Melbourne in May 1986, which centred on the theme "Auditing Information Technology".

4. **Government EDP Auditors Meeting**

Following the EDP Auditors Association Conference, the Office hosted a meeting of government EDP auditors from around Australia, the outcome of which was an agreement to share information on EDP and EDP audit.

5. **National Conference of R.A.I.P.A.**

The Office was represented by 2 senior officers at the November 1985 National Conference of the Royal Australian Institute of Public Administration.

**Relationship with Interstate Audit Offices**

Each of the State and Commonwealth Audit Offices around Australia recognises the value of sharing information and professional expertise in the audit area. In addition to the regular meetings at senior level of Auditors-General and Deputy Auditors-General, links have been forged at middle management level 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.

In 1985-86 this development of co-operation was strengthened through:

* a project undertaken by the Chief Director of Audits (Operations Group 2) at the invitation of the Tasmanian Audit Office to examine and make recommendations on that Office's management and organisational structures and its policies, practices, methodology and procedures in relation to auditing;
formulation of an agreement between the Victorian and New South Wales Audit Offices to conduct a joint project to review the application of systems based audit methodology in each of the 2 States;

a visit by a Chief Director and the Director E.D.P. to the Australian Audit Office in Canberra and other Commonwealth Departments to observe office automation systems, and discuss strategies for development of information technology and aspects of EDP auditing;

visits to Melbourne by senior and middle management officers from the New South Wales, South Australian, Western Australian, Tasmanian and Northern Territory Audit Offices for discussions on a wide range of audit planning and reporting, management, EDP, staff training and information technology matters;

inclusion of an Audit Manager from the Victorian Office in a course on audit statistical sampling conducted by the New South Wales Audit Office, at the invitation of that Office; and

regular exchange of information between the various Offices on research projects and professional standards and practices.

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, including the:

- Auditing Standards Board (Australian Accounting Research Foundation);
- Public Sector Accounting Standards Board (Australian Accounting Research Foundation);
- Government Accountants Committee (Australian Society of Accountants, at National and Victorian levels);
- National Audit Specialisation Panel (Australian Society of Accountants);
- Disciplinary Committee (Australian Society of Accountants, Victorian Division);
- Board of EDP Auditors Association;
- Government Accounting and Audit Discussion Group (Institute of Chartered Accountants);
- Accountancy Studies Advisory Committee (R.M.I.T.); and
- Royal Australian Institute of Public Administration.

Papers and Presentations

<table>
<thead>
<tr>
<th>Date</th>
<th>Officer</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>B. Waldron</td>
<td>Guest speaker, Annual General Meeting, Group of 100 (Southern Division).</td>
</tr>
</tbody>
</table>
July F. Belli  "Role and Responsibility of the Auditor-General": Briefing to newly elected members of Parliament.


November B. Waldron  "Financial Planning and Budgeting": Seminar for the International Training Institute.

November T. Wood  "Comprehensive Auditing": Seminar for the International Training Institute.

December T. Lant  "Comprehensive Auditing": Seminar for P.S.B. Administrative Trainees.

February J. Pinnis  "EDP and EDP Audit in the Victorian Public Service": Seminar to EDP Audit students at Deakin University.


May T. Lant  "A Career in the Victorian Auditor-General's Office": Seminar for Gippsland Institute of Advanced Education.

May T. Lant  "A Career in the Victorian Auditor-General's Office": Seminar for Warrnambool College of Advanced Education.


June J. Pinnis  "A Case Study of Microcomputer Use in Government": Seminar for the ASA.

Involvement in Inter-Departmental Committees

In addition to the preparation of submissions to various reviews relating to financial management and auditing issues, the Office was represented on a number of inter-departmental committees and working parties dealing with public sector management, financial and working conditions matters:
Involvement in Office Committees

The Office itself also established several internal committees and working parties which operated throughout the year or for shorter periods as required and to which many members of staff contributed, including:

* Working Party on Future Information Technology in the Office;
* Audit Practices Committee;
* Steering Committees on major value for money audit projects;
* Audit Qualifications Committee;
* Editorial Committee;
* Equal Employment Opportunity Consultative Committee;
* Joint Technological Change Committee;
* Workplace Health and Safety Committee; and
* Office Social Club Committee.

**OCCUPATIONAL HEALTH AND SAFETY**

With the proclamation of the Occupational Health and Safety Act on 1 October 1985, the Office was required to establish a Workplace Health and Safety Committee comprising equal Victorian Public Service Association and management-nominated members. Action was taken during June 1986 to establish the Committee which will meet on a regular basis to address issues of occupational health and safety as they arise.

The Manager Administrative Services continued as the Occupational Health and Safety Co-ordinator during the year but the primary functions of the Co-ordinator role will be taken over in future by the Workplace Health and Safety Committee.

**TECHNOLOGICAL CHANGE**

In accordance with the agreement between the Victorian Government and the Victorian Trades Hall Council, the Office also established a Joint Technological Change Committee comprising Victorian Public Service Association management-nominated members.

The Committee will be required to recommend to the Office a set of guidelines to provide for the implementation of the basic principles covering issues related to technological change outlined in the agreement.

**EQUAL EMPLOYMENT OPPORTUNITY**

The Office Consultative Committee on Equal Employment Opportunity (EEO) continued its activities during the year in accordance with the Action Plan for 1985–86 (distributed to all staff, July 1985). The Committee was established in 1984 in line with State Government policy on EEO with the primary role of translating the policies laid down in the "Action Plan for Women in the Victorian Public Service" (issued by the Public Service Board) into actions, objectives and responsibilities specific to the Office.

The Committee met on a regular basis and made recommendations to the EEO Co-ordinator on matters connected with the implementation of the Plan in the Office, such as:

* minimising discriminatory behaviour;
* ensuring effective participation of staff on committees and working parties; and
planned job rotation.

It also progressively reviewed the 1985–86 Action Plan and examined the draft Action Plans on Aboriginals and Disabled persons formulated by the Public Service Board.

During 1985–86, following recommendations made by the Committee in the previous year, the Office:

* issued to all staff a policy and a set of procedures on prevention of sexual harassment in the workplace and appointed a contact officer to whom any complaints or problems relating to sexual harassment could be directed;

* incorporated specific EEO requirements in the performance improvement plans of SES officers;

* implemented a policy on assignments of higher duties for periods in excess of 4 weeks under which all officers are advised of vacancies and all applications received are considered; and

* reviewed its policy on the composition of recruitment and staff selection panels.

Information concerning EEO action was disseminated through the staff newsletter and circulars, and at the Office’s annual staff meeting.

FREEDOM OF INFORMATION

Ten requests were received and processed during the year by the designated officer under the Freedom of Information legislation. One internal review of a decision was requested and conducted by the principal officer under Section 51(1) of the Freedom of Information Act.

Revenue from requests in 1985–86 amounted to $25, resulting from the provision of copies of documents to which access was granted.

A statement detailing the organisation and functions of the Office, its publications and arrangements for access to documents under F.O.I. was prepared in accordance with Part II of the Act for the information of members of the public.

DECLARATION OF PECUNIARY INTERESTS

The following senior officers each completed a declaration of interests during 1985–86, in conformity with Government requirements:

F. Belli  M. C. Kane  J. Pinnis
N. N. Eyre  J. E. Kehoe  D. A. Shand
L. J. Fewster  T. V. Lant  G. T. Minster
K. G. Hamilton  J. W. Manders  R. A. Walker
M. W. de Jong  J. Norman  T. Wood

-30-
SOCIAL CLUB ACTIVITIES

The Office social club was formed in 1984 to foster and organise social and sporting activities for staff. As at 30 June 1986 the Club had 114 members, a sizeable proportion of the total Office staff of 151.

Activities organised for members and their friends during the year included such major functions as a dinner dance, Christmas children’s picnic and staff Christmas party, as well as smaller functions catering for more specialised interests, including a ski weekend, squash, football and cricket competitions, theatre parties and "happy hours".

EXPLANATORY STATEMENT

There were significant variations between 1985–86 and the previous year in some items within the financial statements of the Office. 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 at page 33.

1. Receipts

Revenue generated was 30 per cent higher than in 1984–85. The introduction of interim audit fees was mainly responsible for the large increase.

2. Salaries and Associated Costs

The increase in expenditure for this item was due to:

(1) an increase in employment of temporary staff; and

(2) the national wage case applicable from 10 November 1985.

The under-expenditure in relation to the budget allocation was due mainly to difficulties arising in filling staff vacancies. The severe competition within the market place for people with the necessary qualifications made vacancy filling very difficult and it was because of this that some positions remained vacant for longer than was desirable.

3. Administrative Expenses

The increase in expenditure over the 1984–85 figure and the budget allocation figure was due to the purchase of new office and EDP equipment. This new equipment was used to refurbish the existing library and provide facilities for the Finance Section to cater for its new accounting system.

4. Contract Auditing

Payments made to agents were below the budgeted figure as delays by some water authorities in preparing and finalising financial statements resulted in audits planned for 1985–86 still being unallocated at 30 June 1986.
### RECEIPTS - CONSOLIDATED FUND

<table>
<thead>
<tr>
<th>Program -</th>
<th>1985-86</th>
<th>1984-85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Auditor-General</td>
<td>2,078,023</td>
<td>1,600,220</td>
</tr>
<tr>
<td>Total All Receipts</td>
<td>2,078,023</td>
<td>1,600,220</td>
</tr>
</tbody>
</table>

### PAYMENTS - APPROPRIATIONS

#### CONSOLIDATED FUND

<table>
<thead>
<tr>
<th>Program -</th>
<th>Special 1985-86</th>
<th>Annual 1985-86</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Auditor-General</td>
<td>82,516</td>
<td>5,686,062</td>
</tr>
<tr>
<td></td>
<td>5,768,578</td>
<td>5,389,544</td>
</tr>
</tbody>
</table>

#### TRUST FUND

<table>
<thead>
<tr>
<th>Program -</th>
<th>Special 1985-86</th>
<th>Annual 1985-86</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Auditor-General</td>
<td>21,556</td>
<td></td>
</tr>
<tr>
<td></td>
<td>21,556</td>
<td></td>
</tr>
<tr>
<td>Total All Payments</td>
<td>5,790,134</td>
<td>5,389,544</td>
</tr>
</tbody>
</table>
## OFFICE OF THE AUDITOR-GENERAL

**PUBLIC ACCOUNT PROGRAM RECEIPTS AND PAYMENTS**

**FOR THE YEAR ENDED 30 JUNE 1986**

### RECEIPTS – CONSOLIDATED FUND

<table>
<thead>
<tr>
<th>Notes</th>
<th>Budget 1985-86</th>
<th>Actual 1985-86</th>
<th>Actual 1984-85</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**1. Fees and Charges**

| Minor Receipts | (h)   | 6 492 | 2 633 |

**TOTAL PROGRAM RECEIPTS**

|       | 2 078 023 | 1 600 220 |

### PAYMENTS – CONSOLIDATED FUND

**Special Appropriation**

| Salaries and Allowances | (i)   | 80 694 | 82 516 | 78 943 |

**Annual Appropriations**

**Recurrent Expenditure**

**2. Salaries and Associated Costs**

| (j)  | 5 018 000 | 4 803 520 | 4 644 929 |

**Operating Expenses**

**3. Administrative Expenses**

| (k)  | 344 500 | 388 767 | 312 714 |

**Other Recurrent Services**

**Consultants and Special Projects**

|       | ..       | ..       | 22 873 |

**4. Contract Auditing**

| 611 000 | 460 991 | 326 406 |

**Non Recurring Items**

**Payment in lieu of LSL to the Auditor-General on retirement**

| (l)   | .. | 19 288 | .. |

**Total Recurrent Expenditure**

| 5 973 500 | 5 672 566 | 5 306 922 |

**Works and Services Expenditure**

| EDP Facilities | 12 000 | 13 496 | 3 679 |

**TOTAL CONSOLIDATED FUND**

| 6 066 194 | 5 768 578 | 5 389 544 |

### – TRUST FUND

**State Trust Accounts**

**Accident Compensation**

| Levy Trust Account | 21 556 | .. |

**TOTAL TRUST FUND**

| 21 556 | .. |

**TOTAL PROGRAM PAYMENTS**

| 5 790 134 | 5 389 544 |

* Reference is to the Explanatory Statement on page 31 of this report.
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.

The financial details provided in Appendix A to the financial statements relate to transactions outside the Public Account.

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 Management and Budget for superannuation and workers' compensation and by the Public Works Department for rent, cleaning and telephone services.

There have been no expenditures of a capital nature on the Office's behalf by the Public Works Department during the financial year.

A reference in the financial statements to a "Budget" figure means:

(i) in the case of a special appropriation, the amount included in the Estimates in respect of that appropriation; and

(ii) in the case of an annual appropriation, the amount provided in the Estimates to be appropriated by the relevant Annual Appropriation Act.

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.

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.

The "Minor Receipts" figure of $6,492 is made up of the following amounts:

<table>
<thead>
<tr>
<th></th>
<th>1985-86</th>
<th>1984-85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation of Former Years</td>
<td>5,917</td>
<td>1,740</td>
</tr>
<tr>
<td>Commission on Group Assurance Deductions</td>
<td>359</td>
<td>382</td>
</tr>
<tr>
<td>Commission on Hospital and Medical Deductions</td>
<td>191</td>
<td>217</td>
</tr>
<tr>
<td>Small Amounts paid in</td>
<td>25</td>
<td>294</td>
</tr>
<tr>
<td></td>
<td>6,492</td>
<td>2,633</td>
</tr>
</tbody>
</table>

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

(j) The "Salaries and Associated Costs" figure is made up of the following amounts:

<table>
<thead>
<tr>
<th></th>
<th>1985-86</th>
<th>1984-85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Allowances</td>
<td>4,385,466</td>
<td>4,314,256</td>
</tr>
<tr>
<td>Overtime and penalty rates</td>
<td>3,939</td>
<td>3,722</td>
</tr>
<tr>
<td>Payments in lieu of long service leave</td>
<td>142</td>
<td>66</td>
</tr>
<tr>
<td>Payroll Tax</td>
<td>272,013</td>
<td>260,589</td>
</tr>
<tr>
<td></td>
<td>4,803,520</td>
<td>4,644,929</td>
</tr>
</tbody>
</table>

(k) The "Administrative Expenses" figure is made up of the following:

<table>
<thead>
<tr>
<th></th>
<th>1985-86</th>
<th>1984-85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travelling and subsistence</td>
<td>65,933</td>
<td>73,380</td>
</tr>
<tr>
<td>Office requisites and equipment, printing and stationery</td>
<td>133,932</td>
<td>76,704</td>
</tr>
<tr>
<td>Books and publications</td>
<td>14,584</td>
<td>10,360</td>
</tr>
<tr>
<td>Postal and telephone expenses</td>
<td>6,393</td>
<td>5,040</td>
</tr>
<tr>
<td>Motor vehicles – purchase and running expenses</td>
<td>28,768</td>
<td>18,087</td>
</tr>
<tr>
<td>Incidental expenses</td>
<td>58,584</td>
<td>57,176</td>
</tr>
<tr>
<td>Electronic Data Processing expenses</td>
<td>80,573</td>
<td>71,967</td>
</tr>
<tr>
<td></td>
<td>388,767</td>
<td>312,714</td>
</tr>
</tbody>
</table>

* For details of this increase in expenditure see reference 3 of the Explanatory Statement on page 31 of this report.

(l) A separate vote allocation was made available by the Department of Management and Budget for payment in lieu of Long Service Leave owing to the previous Auditor-General on retirement.
OFFICE OF THE AUDITOR-GENERAL

SUPPLEMENTARY INFORMATION AND STATEMENT OF BALANCES

AS AT 30 JUNE 1986

SUPPLEMENTARY INFORMATION

Payments from Appropriation of other Administrative Units as at 30 June 1986

NIL

Resources received and provided free of charge as at 30 June 1986

NIL

STATEMENT OF BALANCES

Cash and Investment Balances

As at 30 June 1986 the Office Advance Account, being an account outside the Public Account, had a debit (overdrawn) balance of $5,385 (30 June 1985 - $1,436 CR). An advance from the Public Account of $13,200 (30 June 1985 - $9,250) was approved by the Treasurer for carryover to the 1986-87 financial year.

Debtors

As at 30 June 1986 the following amounts were outstanding:

<table>
<thead>
<tr>
<th></th>
<th>1985-86</th>
<th>1984-85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding Audit Fees</td>
<td>237,980</td>
<td>48,087</td>
</tr>
<tr>
<td>Recoup of Salary and related payments</td>
<td>..</td>
<td>3,022</td>
</tr>
<tr>
<td>Recoup of personal expenses</td>
<td>89</td>
<td>97</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>238,069</td>
<td>51,206</td>
</tr>
</tbody>
</table>

General Stores on Hand

As at 30 June 1986 the Office had the following stores on hand which were valued at cost:

<table>
<thead>
<tr>
<th></th>
<th>1985-86</th>
<th>1984-85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portable computers</td>
<td>14,000</td>
<td>..</td>
</tr>
<tr>
<td>Software packages</td>
<td>10,800</td>
<td>..</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24,800</td>
<td>..</td>
</tr>
</tbody>
</table>
Creditors

As at 30 June 1986 the following amounts were outstanding:

<table>
<thead>
<tr>
<th></th>
<th>1985-86</th>
<th>1984-85</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>General Expenses</td>
<td>30 362</td>
<td>12 842</td>
</tr>
<tr>
<td>Personal Expenses</td>
<td>26</td>
<td>104</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>30 388</td>
<td>12 946</td>
</tr>
</tbody>
</table>

Capital Commitments

As at 30 June 1986 - Nil (30 June 1985 - Nil).

Leasing Commitments

As at 30 June 1986 the Office had entered into an operating lease for two photocopying machines for a period of thirteen months at a charge of $5 400 per annum.

Balance Outstanding on Loans

As at 30 June 1986 - Nil (30 June 1985 - 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 1986 and of the Supplementary Information and Statement of Balances at 30 June 1986.

C.W. JONES
Principal Accounting Officer
24/9/86

F. BELL
Deputy/Chief Administrator
24/9/86

REPORT OF THE APPROVED AGENT OF THE AUDITOR-GENERAL

(1) I report that I have audited the accounts of the Office of the Auditor-General for the year ended 30 June 1986 in accordance with Australian Auditing Standards.

(2) I have received all the information and explanations I have required.

(3) 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 1986.

J. Donges
Peat Marwick Mitchell and Co.
Approved Agent of the Auditor-General
24/9/1986
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 department and the appendix 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 present fairly the financial transactions of the Office of the Auditor-General for the year ended 30 June 1986 in accordance with the Annual Reporting Act 1983.

MELBOURNE
24/9/1986

R.G. HUMPHRY
Auditor-General
AUDITEES AT 30 JUNE 1986

APPENDIX 1

Administrative Units Declared to be Departments

Agriculture and Rural Affairs, Department of Arts, Ministry for the Auditor-General, Office of the Community Services, Department of Conservation, Forests and Lands, Department of Consumer Affairs, Ministry of Corrections, Office of Education, Ministry of Ethnic Affairs Commission Health, Department of Industry, Technology and Resources, Department of Labour, Department of Law Department Local Government Department Management and Budget, Department of Parliament of Victoria (audited but not declared) Planning and Environment, Ministry for Police and Emergency Services, Ministry for Premier and Cabinet, Department of the Property and Services, Department of Public Prosecutions, Office of the Director of Public Service Board, Office of the Public Works Department Sport and Recreation, Department of Transport, Ministry of Water Resources, Department of

Government Business Undertakings

Capital Works Authority Gas and Fuel Corporation Grain Elevators Board Melbourne and Metropolitan Board of Works Metropolitan Transit Authority Port of Melbourne Authority State Electricity Commission State Transport Authority

Public Bodies

Accident Compensation Commission Accident Compensation Tribunal Albert Park Committee of Management Albury-Wodonga (Vic.) Corporation Alpine Resorts Commission Bioplantech Limited Bundoora Park Reserve Cancer Institute Board Citrus Fruit Marketing Board Coal Corporation of Victoria Coal Mines Workers Pensions Tribunal
Construction Industry Long Service Leave Board
Council of Adult Education
Country Fire Authority
Dandenong Valley Authority
Daratech Proprietary Limited
Dietitians Registration Board
Emerald Tourist Railway Board
Estate Agents Board
Exhibition Trustees
Film Victoria
Geelong Performing Arts Centre
Government Employee Housing Authority
Government Printing Office
Greyhound Racing Control Board
Guardianship and Administration Board
Harness Racing Board
Historic Buildings Council
Holmestown Constructions Superannuation Plan
Hospitals Superannuation Board
Housing Director of
Institute of Educational Administration
Latrobe Regional Commission
Latrobe Valley Water and Sewerage Board
Law Reform Commission
Legal Aid Commissioner
Liquor Control Commission
Local Authorities Superannuation Board
Marine Board of Victorian
Melbourne Wholesale Fruit and Vegetable Market Trust
Mental Health Review Board
Metropolitan Fire Brigades Board
Metropolitan Fire Brigades Superannuation Board
Motor Accidents Board
Mt. Macedon Memorial Cross Committee of Management
Museum of Victoria, Council of the
National Tennis Centre Trust
Olympic Park Committee of Management
Optometrists Registration Board
Overseas Projects Corporation of Victoria Limited
Parliamentary Refreshment Rooms
Penguin Reserve Committee of Management
Plumbers and Gasfitters Board
Port Bellarine Committee of Management
Port of Geelong Authority
Port of Portland Authority
Poultry Farmer Licensing Committee
Poultry Farmer Licensing Review Committee
Psychosurgery Review Board
Public Advocate, Office of the
Public Trustee
Road Construction Authority
Road Traffic Authority
Rural Finance Commission
Rural Water Commission of Victoria
SEC Employees Retirement and Benefit Fund
SEC Superannuation Fund
Shrine of Remembrance Trustees
Small Business Development Corporation
SSB—Parliamentary Contributory Superannuation Fund
State Employees Retirement and Benefits
State Film Centre of Victoria
State Insurance Office
State Superannuation Board
State Swimming Centre Reserve
Surveyors Board
Swan Hill Pioneer Settlement
Tattersalls Consultations
Technical and Further Education Board
Tobacco Leaf Marketing Board
Tobacco Quota Appeals Tribunal
Totalizator Agency Board
Trustees of the Library Council of Victoria
Trustees of the National Gallery
Urban Land Authority
Victoria Transport Borrowing Agency
Victorian Accident Rehabilitation Council
Victorian Arts Centre Trust
Victorian Building Society Council
Victorian Coal Miners A. R. B.
Victorian Curriculum and Assessment Board
Victorian Dairy Industry Authority
Victorian Development Fund
Victorian Dried Fruits Board
Victorian Dried Fruits Board Superannuation Fund
Victorian Economic Development Corporation
Victorian Egg Marketing Board
Victorian Fishing Industry Council
Victorian Institute of Forensic Pathology
Victorian Institute of Marine Sciences
Victorian Institute of Secondary Education
Victorian Nursing Council
Victorian Post Secondary Education Commission
Victorian Prison Industries Commission
Victorian Public Authorities Finance Agency
Victorian Public Offices Corporation
Victorian Relief Committee
Victorian Solar Energy Council
Victorian Tourism Commission
Victorian Universities Admission Committee
Werribee Park Corporation
Workers Compensation Board
Yarra Bend Park Trust
Zoological Board of Victoria

Water Authorities

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

-4-
Goulburn Water Board
Hamilton Water Board
Hampden, Shire of
Heathcote Water Board
Heytesbury, Shire of
Heywood Water Board
Hindmarsh Water Board
Horsham, City of
Kaniva, Shire of
Kerang, Borough of
Kiewa River River Improvement Trust
Kilmore, Shire of
King Valley Water Board
Korong, Shire of
Korrumburra Shire River Improvement Trust
Korumburra Water Board
Kowree Water Board
Kyabram, Shire of
Kyneton Water Board
Lang Lang Water Board
Learmonth Water Board
Leongatha Water Board
Lexton Water Board
Longwarry Drainage Trust
Lorne Water Board
Lough Calver Drainage Trust
Lower Kiewa Water Board
Macalister Water Board
Macedon Water Board
Mallacoota Water Board
Mansfield Water Board
Maryborough, City of
Marysville Water Board
Melton, Shire of
Mid-Gippsland River Management Board
Mid-Goulburn River Management Board
Mirboo Water Board
Mitchell River River Improvement Trust
Mitchell Water Board
Mitta Mitta River River Improvement Trust
Moe Water Board
Mooroopia 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
Omeo, Shire of
Orbost Water Board
Otway Coast Water Board
Ovens and King River River Improvement Trust
Pakenham Water Board
Pental Island River Improvement Trust
Port Fairy Water Board
Portland Water Board
Pylong 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
Sea Lake Water Board
Seymour Water Board
Shepparton Water Board
Shire of Ballan
Shire Upper Murray River Improvement Trust
Skipton Water Board
Snowy River Improvement Trust
South Gippsland Water Board
Springhurst Water Board
St. Arnaud, Town of
Stawell Water Board
Stawell, Shire of
Strathdownie Drainage Trust
Sunbury Water Board
Sunraysia Water Board
Swan Hill Water Board
Talbot and Clunes, Shire of
Tallangatta, Shire of
Tambo River River Improvement Trust
Tambo Water Board
Tarago Water Board
Tarwin River River Improvement Trust
Tarwin Valley Water Board
Traralgon Water Board
Tullaroop, Shire of
Tungamah Shire Water Board
Upper Kiewa Water Board
Upper Murray Water Board
Violet Town Water Board
Walpeup, Shire of
Wangaratta, City of
Waranga Water Board
Warracknabeal Water Board
Warrnambool, City of
Warrnambool, Shire of
Westernport Water Board
Wodonga, Rural City of
Wonthaggi—Inverloch Water Board
Woodend Water Board
Wychenproof Water Board
Yackandandah Water Board
Yarrawonga, Shire of
Yatchaw Drainage Trust
Yea River Improvement Trust
Yea Water Board

Post Secondary and Tertiary Educational Institutions

Ballarat College of Advanced Education
Batman Automotive College of TAFE
Bendigo College of Advanced Education
Bendigo College of TAFE
Box Hill College of TAFE
Broadmeadows College of TAFE
Catholic Education, Institute of
Chisholm Institute of Technology
Collingwood College of TAFE
Dandenong College of TAFE
Deakin Institute For Studies in Education Ltd
Deakin University
Deakin University Foundation Limited
Durac Limited
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
Hawthorn Institute of Education
Holmesglen College of TAFE
La Trobe University
La Trobe University Housing Limited
Lincoln Institute of Health Sciences
Melbourne College of Advanced Education
Melbourne College of Decoration
Melbourne College of Print and Graphic Arts
Melbourne College of Textiles
Melbourne University
Mines and Industries Ballarat Limited, The School of
Monash University
Moorabbin College of TAFE
Newport College of TAFE
Outer Eastern College of TAFE
Phillip Institute of Technology
Prahran College of TAFE
Preston College of TAFE
Richmond College of TAFE
RMIT TAFE
Royal Melbourne Institute of Technology Limited
Shepparton College of TAFE
Sunraysia College of TAFE
Swinburne Limited
Swinburne TAFE
Victoria College
Victorian College of Agriculture and Horticulture
Victorian College of Pharmacy Limited
Victorian College of the Arts
Wangaratta College of TAFE
Warrnambool College of TAFE
Warrnambool Institute of Advanced Education
William Angliss College, The
Wimmera Community College of TAFE
Yallourn College of TAFE
New and Revised Audit Responsibilities

Accident Compensation Commission
Accident Compensation Tribunal
Victorian Accident Rehabilitation Council
Guardianship and Administration Board
Office of the Public Advocate
Mental Health Review Board
Psychosurgery Review Board
Bioplantech Limited

Victorian Curriculum and Assessment Board
Victorian Building Societies Council
Capital Works Authority
Overseas Project Corporation of Vic. Ltd.
East Gippsland Community College of TAFE

Wimmera College of TAFE
National Tennis Centre Trust
Health Department Victoria
Victorian Relief Committee

Authority

Accident Compensation Act 1985
Accident Compensation Act 1985
Accident Compensation Act 1985
Guardianship and Administration Board Act 1986
Guardianship and Administration Board Act 1986
Mental Health Act 1986
Mental Health Act 1986
Request by Treasurer under S. 3 of Audit Act 1958 and Companies (Victoria) Code
Victorian Curriculum and Assessment Board Act 1986
Victorian Building Societies Act 1986
Annual Reporting Act 1983
Request by Treasurer under S.3 of Audit Act 1958
Post-Secondary Education Act 1978
Post Secondary Education Act 1978
National Tennis Centre Act 1985
Established under Health (Amendment) Act 1985
Replaced State Relief Committee under State Relief Committee Act 1986
Department of Labour

Ministry of Education

LaTrobe University Housing Limited

Small Business Development Corporation

Victorian Institute of Forensic Pathology

Audits for Which the Office is No Longer Responsible

Hairdressers Registration Board

Health Commission of Victoria

Decentralised Industry Housing Authority

Department of Education

Department of Employment and Industrial Affairs

State Relief Committee

Title changed from Department of Employment and Industrial Affairs by Administrative Arrangements Order 43, effective 8.4.86

Title changed from Department of Education by Administrative Arrangements Order 40, effective 12.11.85

LaTrobe University (Amendment) Act 1986

Small Business Development Corporation Act 1976 (previously audited at request of Treasurer)

Coroners Act 1985

Reason for Removal of Audit Responsibility

Abolished by Hairdressers Registration (Repeal) Act 1985 effective 1.1.86

Replaced by Health Department Victoria

Abolished by Decentralised Industry Housing (Repeal) Act 1986

Title changed to Ministry of Education

Title changed to Department of Labour

Replaced by Victorian Relief Committee
### TRAINING COURSES CONDUCTED DURING THE YEAR

<table>
<thead>
<tr>
<th>Course</th>
<th>Held (1985–86)</th>
<th>Duration (Days)</th>
<th>Presenters</th>
<th>Person Days Training</th>
<th>Participants</th>
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<tbody>
<tr>
<td><strong>Value for Money Auditing #1</strong></td>
<td>Dec</td>
<td>2</td>
<td>Office Staff</td>
<td>30</td>
<td>14</td>
</tr>
<tr>
<td><strong>Report Writing</strong></td>
<td>Dec</td>
<td>1</td>
<td>External Consultants</td>
<td>18</td>
<td>14</td>
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<tr>
<td><strong>Audit of Paycost</strong></td>
<td>Dec</td>
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<td>Office Staff</td>
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<td>19</td>
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<tr>
<td><strong>Legislative Interpretation</strong></td>
<td>Dec</td>
<td>0.5</td>
<td>Parliamentary Counsel Representative</td>
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<td>8</td>
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<tr>
<td><strong>Induction #1</strong></td>
<td>Jan/Feb</td>
<td>4</td>
<td>Office Staff</td>
<td>64</td>
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<tr>
<td><strong>Current Cost Accounting</strong></td>
<td>Feb</td>
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<td>Office Staff</td>
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<tr>
<td><strong>Effective Communication</strong></td>
<td>Feb</td>
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<td>Office Staff/External Consultant</td>
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<td><strong>Introduction to EDP Auditing</strong></td>
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<td><strong>Computer Auditing for Managers</strong></td>
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<td><strong>Computer Assisted Audit Techniques</strong></td>
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<td><strong>Value for Money Auditing #2</strong></td>
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<td><strong>Lotus 123 Package</strong></td>
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<td><strong>Star Package</strong></td>
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<td>External Consultants</td>
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<td><strong>Value for Money Auditing #3</strong></td>
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<td><strong>Systems Based Auditing #1</strong></td>
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<td><strong>Audit of FM80</strong></td>
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<td><strong>Systems Based Auditing #2</strong></td>
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<td><strong>Induction #2</strong></td>
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<td><strong>Financial Reporting</strong></td>
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<td><strong>Supervisory Skills</strong></td>
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<td><strong>Pre-Audit Package</strong></td>
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<td><strong>Management Skills</strong></td>
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<td>External Consultants</td>
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<td><strong>Senior Management Discussion Group</strong></td>
<td>bi-monthly</td>
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<td>Office staff and external guest speakers</td>
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<td>32</td>
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