

South Australia

Annual Report on the Operations

of the

Auditor-General's Department

for the

year ended 30 June 2007



Government of South Australia
Auditor-General's Department

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28 September 2007

The Hon M Rann MA, JP, MP
Premier
Department of the Premier and Cabinet
Level 16, State Administration Centre
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Dear Premier

Annual Report on the Operations of the Auditor-General's Department

I am pleased to provide you with the Annual Report on the Operations of the Auditor-General's Department for the year ended 30 June 2007 forwarded in accordance with the requirements of the *Public Sector Management Act 1995*.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'S O'Neill'.

S O'Neill
AUDITOR-GENERAL

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Foreword

The Auditor-General and the Auditor-General's Department are charged with the important role of conducting independent audits of public sector agencies and operations within this State. The discharge of this responsibility has a direct outcome of providing independent information, advice and assurance to Parliament and to the management of public sector agencies, concerning the stewardship of funds and resources administered within the public sector.

The Annual Report on the Operations of the Department presents comment on a number of areas and matters integral to the performance of those operations for the year.

Through the conduct of audit and associated work and reporting on those outcomes to the Parliament and public sector agencies, staff have again worked diligently in their contribution to the accountability of the Executive Government and the public service to the Parliament.

The Department's strategic management framework ensures that we are responsive to changing circumstances with an awareness of emerging issues and provides a systematic and disciplined approach to selecting, implementing and managing the activities that will benefit the Department's long and short term performance.

During 2006-07, the Department continued to pursue the highest quality standards of audit services and to build on a corporate culture which values the professional input of our people.

Ongoing administrative reforms and changes to the public sector's infrastructure and methods of service delivery to the public by agencies of government will require continued audit focus by this Department in discharging our mandate. I am confident that with the professionalism and skills of our staff, the Department will continue to meet these challenges and contribute to improvements in performance and accountability in the public sector.

I would like to place on record my gratitude for the dedicated efforts of all members of staff of the Auditor-General's Department during the year.

I would also like to pay special tribute to Mr K I MacPherson who retired from the Office of Auditor-General in February 2007 after seventeen years in this role. Mr MacPherson made a significant contribution to public sector management during his career throughout Australia, and importantly in this state in the role of Auditor-General.



S O'Neill
AUDITOR-GENERAL

Three Year Summary

KEY FINANCIAL INDICATORS

	2006-07	2005-06	2004-05
	\$'000	\$'000	\$'000
Total Audit Fees Raised	9 392	8 778	8 029
Total Expenses			
• Prescribed Audits	11 023	10 451	10 209
• Special Investigations	0	43	190
Total Assets	3 459	3 186	2 639
Total Liabilities	3 351	3 081	2 746

KEY OPERATING RESULTS

	2006-07	2005-06	2004-05
Qualified Audit Opinions Issued	29	19	24
Staff Establishment (FTE)	111	110	110
Average FTE for year	109	108	107

LIST OF REPORTS PRESENTED SINCE 1 JULY 2004

Date Presented	Report Title
23 November 2006	Supplementary Report: State Finances and Related Matters: Some Audit Observations
22 November 2006	Supplementary Report: Matters Arising from the Further Audit Examination of the <i>Administration of the Criminal Law (Forensic Procedures) Act 1998</i> and Other Matters
21 November 2006	Report on the Operations of the Auditor-General's Department for the year ended 30 June 2006
26 October 2006	Report of the Auditor-General for the year ended 30 June 2006 - Part A Audit Overview and Part B Agency Audit Reports
26 October 2006	Supplementary Report: Agency Audit Reports
30 November 2005	Supplementary Report: Government Management and the Security Associated with Personal and Sensitive Information
22 November 2005	Annual Report on the Operations of the Auditor-General's Department for the year ended 30 June 2005
22 November 2005	Supplementary Report: Agency Audit Reports
17 October 2005	Report of the Auditor-General for the year ended 30 June 2005 – Part A Audit Overview and Part B Agency Audit Reports
12 September 2005	Report on the Auditor-General's Examination, Pursuant to Section 39 of the <i>Passenger Transport Act 1994</i> , of Certain Bus Contracts and the Probity of Processes Leading up to the Awarding of the Contracts
17 February 2005	Report Pursuant to Sections 32 and 36 of the <i>Public Finance and Audit Act 1987</i> : Matters Associated with the 2001-02 Proposal Concerning the Establishment of an Ambulance Station at McLaren Vale
6 December 2004	Supplementary Report: Agency Audit Reports
25 November 2004	Report of the Auditor-General on the Basketball Association of South Australia Incorporated
12 October 2004	Annual Report on the Operations of the Auditor-General's Department for the year ended 30 June 2004
11 October 2004	Report of the Auditor-General for the year ended 30 June 2004 – Part A Audit Overview and Part B Agency Audit Reports

Corporate Overview

THE AUDITOR-GENERAL

The Auditor-General, who is appointed by Parliament under the *Public Finance and Audit Act 1987* (the Act), leads the Auditor-General's Department and has specific statutory responsibilities for the audit of the Public Accounts and the accounts of public authorities and for the review of the efficiency and economy of public sector operations.

PURPOSE OF THE DEPARTMENT

The function of the Auditor-General's Department is to assist the Auditor-General to carry out the duties prescribed in the Act. The Auditor-General is currently the prescribed auditor of 174 public sector entities. (Refer to Appendix E for a list of agencies and statutory funds audited by the Department).

The Department provides the Parliament (and consequently the people of South Australia) and public sector entities with independent professional audit opinions on financial reporting and controls over financial operations and compliance with legislative requirements. Further, where appropriate, the Department comments on the efficiency and economy with which public sector resources are used.

AUDIT LEGISLATION

The Act provides a vital link in the chain of accountability of the Executive Government to the Parliament and to the taxpayers of this State, who are the ultimate providers of funds for the operations of Government.

The Act prescribes the financial reporting obligations of the Treasurer and public sector agencies. The Auditor-General provides an auditor's opinion on these financial reports and, in accordance with the Act, reports to the Parliament on these matters. The Auditor-General's independent attestation, together with the statutory reporting obligations, provide

assurance to the Parliament that monies raised and collected have been expended properly and in accordance with the law.

There are a range of statutory provisions that have a direct influence on the operations of the Auditor-General's Department. These include statutes that appoint the Auditor-General as the auditor of public sector agencies, other legislation which embodies special Commonwealth and State financial arrangements, the financial law of this State (eg Supply Acts, Appropriation Acts, the Public Corporations Act and the Whistleblowers Protection Act).

ORGANISATIONAL STRUCTURE

Organisation

Five Field Audit directorates and a Corporate Support directorate assist the Auditor-General in carrying out the audit responsibilities under the Act.

A complete organisation chart is shown in Appendix A.

There are two activities that underpin the operations of the Department, ie Field Audit activities and Corporate Support activities.

Field Audit Activities

Within the five Field Audit directorates the Department operates sixteen Field Audit sections, an Information Technology Audit section and a Public Interest Review section. Each Field Audit section is responsible for a portfolio of audits which is led by a Principal Audit Manager and supported by a team of up to six audit professionals.

Corporate Support Activities

The Corporate Support directorate's function is to support field audit staff in the discharge of their audit responsibilities and to assist the Auditor-General in discharging his

responsibilities as Chief Executive of the Department. The directorate comprises five sections that report to the Director of Audits (Policy, Planning and Research). The sections are:

- Corporate Strategy and Support
- Finance
- Human Resources
- Information Technology Support
- Research and Quality Assurance.

Departmental Executive

The Executive of the Department consists of the Auditor-General, Deputy Auditor-General and the five Directors of Audits. It meets on a regular basis (usually weekly) and discharges its responsibilities through two principal mechanisms.

Firstly, the Executive, in consultation with staff of the Department sets corporate policies, strategies and annual work programs to meet statutory audit responsibilities to the Parliament and public sector agencies; ensures the good administration of the Department; and oversees the development of all staff.

Secondly, the Executive works with senior corporate and audit managers in coordinating policy implementation; executes the strategies and work programs; and ensures the achievement of associated targeted outcomes.

RELATIONSHIP WITH PARLIAMENT

The Act establishes the independence of the Auditor-General from the Executive Government and provides that the primary accountability of the Auditor-General is to the Parliament.

Provisions contained in the Act on the appointment and removal of the Auditor-General and funding for his salary emphasise that independence. Subsection 24(b) of the Act explicitly reinforces the Auditor-General's independence by providing that the Auditor-General is not subject to the direction of any person as to the manner

in which he carries out the functions or exercises powers under the Act or to the priority that he gives any matter.

The Act also provides for a high level of accountability, mainly through the submission to Parliament of the Annual Report of the Auditor-General. This Annual Report, which is the major means of communication between the Auditor-General and the Parliament, consists of:

Part A The Audit Overview provides summarised commentary on financial management, accounting and control matters within the public sector.

Part B Agency Audit Reports contains commentary on the operations of individual public authorities, the financial statements of those public authorities and the Treasurer's Statements. Comments on public authorities focus on significant matters of administration, financial management and control.

Part C The States Finances and Related Matters contains commentary on the public finances of the State. This commentary includes observations on past year's budgeted and actual results, forecasts, debt and cash management and other salient matters.

In addition, the Auditor-General meets the Committees of the Parliament on an 'as needs' basis. The Auditor-General attended a number of meetings of Parliamentary Committees during the year.

RELATIONSHIP WITH THE PORTFOLIO OF THE PREMIER AND CABINET

The Auditor-General is accountable for the outcomes of this Department to the Parliament. The Act requires and provides for the Auditor-General to be independent of the Executive Government.

Accordingly, while the Department is considered part of the Portfolio of the Premier and Cabinet, in the discharge of its audit responsibilities it is independent of Executive Government. Further, the Department reports directly to the Parliament. The Department relates with the Department of the Premier and Cabinet only on administrative arrangements and with the Department of Treasury and Finance on budget and finance related matters.

RELATIONSHIPS WITH AUDITEE AGENCIES

A recurring theme in public sector management is the expectation that Chief Executives and managers implement and maintain sound financial systems and controls.

As part of the audit process, the Department contributes to the quality of public sector management by:

- providing independent information and advice on the operations of agencies;
- encouraging the development and maintenance of effective financial and management controls;
- supporting improvements in the form and quality of internal and external financial reporting by agencies.

RELATIONSHIPS WITH AUDIT COMMITTEES

The Department recognises the benefits of maintaining professional respect between itself and its auditee agencies. One method for building such a relationship is the attendance by the employees of this Department at audit committee meetings for various auditee agencies.

RELATIONSHIP WITH INTERSTATE AND OVERSEAS AUDIT OFFICES

The Australasian Council of Auditors-General (ACAG) was established following the 19th Bicentennial

Conference of Auditors-General in Perth in 1993. It provides structured arrangements for the sharing of information between Auditors-General. Membership of ACAG is open to the Auditor-General of all audit jurisdictions within Australia, Fiji, New Zealand, and Papua New Guinea.

The role and function of ACAG is:

- Facilitating the sharing of information and discussion of matters of mutual interest to members, concentrating on the essential elements of the Legislative Audit.
- Providing opportunities for Audit Offices to improve their own effectiveness and efficiency by such means as may be agreed from time to time including a professional quality assurance peer review program, benchmarking surveys, targeted reviews of particular functions and operations.
- Promoting educational, training and professional development activities that will contribute generally to an Audit Office's performance.
- Supporting the development of audit methodologies and practices for, and approaches to, the discharge of audit mandates.
- Promoting co-operation in the conduct of audits.
- Identifying and promulgating, where appropriate, the collective opinion of Auditors-General on financial accounting and auditing standards and related issues.

During 2006-07, the Department participated in a number of benchmarking exercises and projects involving the exchange of information and expertise.

Corporate Plan 2006-07 to 2007-08

The Corporate Plan is one of the most important documents we produce. It sets out the intended direction of the Department over a specified period of time.

During the year the Department commenced implementation of a Corporate Plan covering the two year period 2006-07 to 2007-08. The Plan was developed in consultation with all staff, reflecting a corporate culture which values the professional input of our people.

Our goals and strategies for the planning period reflect a balance of continuity and change. They recognise a number of challenges to be faced in our continuous aim to contribute to the accountability of government and public sector agencies to the Parliament, and to enhance our work environment and the capabilities of our staff.

This Corporate Plan is the foundation of our strategic management as we carefully and transparently monitor the goals we have set ourselves.

Our vision for the future, mission, values and corporate objectives as detailed in the Corporate Plan are described below.

VISION

We are committed to continuous improvement of the quality of the services provided to the Parliament and the people of South Australia and to the ongoing development of the capabilities of our people.

MISSION

To contribute to the accountability of the Executive Government and public sector agencies to Parliament by the provision of independent reports on matters concerning finance, use of public resources and the probity and lawfulness of matters associated with public administration.

VALUES

The shared ethical values we hold are the foundation of our actions, words and decisions. We strive to uphold them in everything we do, and in a collective manner the Department will perform in a most professional manner its review and reporting responsibilities to public sector agencies and the Parliament.

Integrity

We will display integrity through honest, ethical and professional behaviour.

Independence

In the conduct of our work and in forming our opinions we will exhibit independence, impartiality and fairness.

Innovation

We will strive for continuous improvement through acceptance and promotion of innovative ideas and the sharing of knowledge.

Respect

We will value the diversity and the contribution of individuals. We will foster a collaborative/team environment that encourages open communication, trust and empowerment, and respects the needs and preferences of our staff. We will foster effective working relationships which acknowledge and value the role and responsibilities of key stakeholders.

Quality

We will ensure our work is of high quality reflecting relevance, sound methodology, good judgment and thoroughness.

Accountability

We will be accountable for our decisions and actions and be transparent in the way we conduct our business.

CORPORATE OBJECTIVES

To deliver our core services to the highest level, and in response to the challenges we see ahead, the Department will pursue four objectives over the planning period:

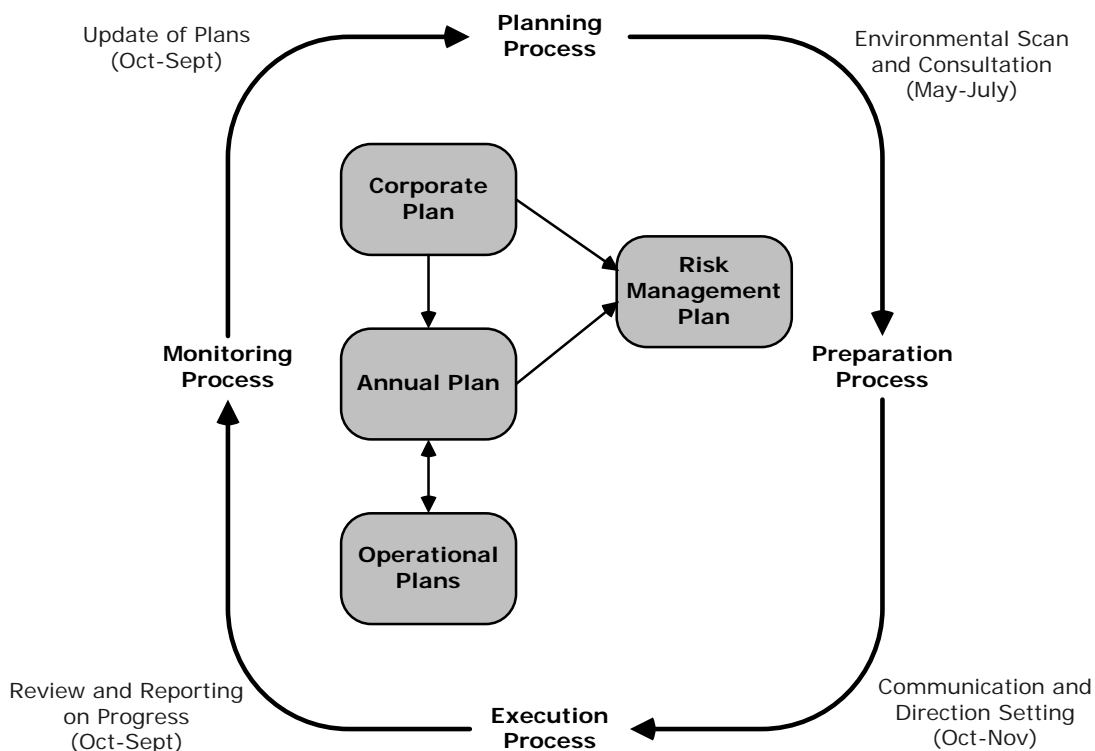
- To perform audits of the accounts and controls of public sector agencies, and produce timely and relevant reports on the outcomes.
- To produce timely and relevant reports to Parliament on public sector interest issues.
- To attract, develop and retain highly skilled and committed professional people.
- To efficiently and effectively run the Department.

The Corporate Plan also sets out the detailed strategies and associated measures of achievement we will use to meet each of our objectives, and to evaluate the success of our actions.

STRATEGIC MANAGEMENT FRAMEWORK

To meet the challenges we face in the future, and to ensure we effectively manage all of our responsibilities, the Department has a strategic management framework. This framework provides a systematic and disciplined approach to selecting, implementing and managing the activities that will benefit the Department's long and short term performance. It is based around the principles of informed decision making, responsive planning and monitoring to ensure planned initiatives are effectively implemented.

The framework as depicted below illustrates that the process of strategic management is ongoing, and is characterised by the coordination of organisational efforts towards achieving agreed outcomes.



Provision of Auditing Services

LEGISLATIVE MANDATE

The Act provides the statutory mandate for the Auditor-General to conduct the audits of public sector agencies.

The major principles embodied in the Act provide for the Auditor-General to:

- be appointed;
- be independent of the Executive Government;
- audit the accounts of the Treasurer, government departments, statutory authorities and other public sector agencies;
- examine the efficiency and economy with which government departments, statutory authorities and other public sector agencies use their resources;
- report audit findings and other stipulated matters to both Houses of Parliament;
- review summaries of confidential government contracts and report on the adequacy of the document as a summary of the contents of the contract when requested to do so by a Minister;
- have full and free access to all accounts, records, documents and information required for the discharge of the audit function;
- charge fees for conducting audits with the approval of the Treasurer.

TYPES OF AUDITS AND REVIEWS CONDUCTED

The Act provides a mandate for the Auditor-General to conduct five different types of audits and reviews. These are:

- Financial and compliance audit – subsection 31(1).
- Efficiency and economy audit – subsection 31(2).
- Review of the adequacy of controls exercised by auditee agencies – subsection 36(1)(a)(iii).

- Examination of the accounts of a publicly funded body – section 32.
- Review of a summary of a confidential government contract – section 41A.

Financial and Compliance Audit

Subsection 31(1) of the Act prescribes that the Auditor-General is to annually audit the accounts of the Treasurer and also each public authority (as defined in the Act).

Such audits are known as financial and compliance audits. As that term indicates, the main thrust of these audits is directed towards the matter of accountability for the funds and resources made available to, and administered by, agencies. The audit also provides a high level of assurance that all legal obligations and requirements have been met.

The Act does not prescribe the methods to be used in conducting a financial and compliance audit. The methods and practices adopted are continually reviewed and assessed by the Department to ensure that the efficiency and effectiveness of the Department's audit processes are maintained.

The audit methodology used by the Department follows that stipulated in the Auditing and Assurance Standards and Auditing and Assurance Guidance Statements issued by the Auditing and Assurance Standards Board.

The particular methodology adopted by this Department is known as 'Risk Based Auditing' and is based on an audit software package on licence from an international firm of chartered accountants. This methodology places considerable emphasis on the planning of audits.

The first stage of audit planning requires that all business activities of

the auditee agency be identified. The audit risk associated with each of those business activities is then identified and documented by the auditor.

Factors taken into account in determining the audit risk include the risk inherent in the activities being undertaken by the auditee agency, the adequacy of the internal control structure established by the auditee agency, and the risk that the procedures employed by the auditor may not detect material misstatements in the financial statements.

The second stage requires that sufficient audit coverage and testing is planned in order to ensure that the audit risk identified in the first stage is reduced to an acceptable level. All audit plans are reviewed and approved by a Director of Audits.

Transactions and records required for audit testing are generally selected using statistical sampling methods and many are extracted from auditee agency files using special audit software routines.

Similarly, many of the audit tests applied to those transactions and records are generated by the specialised audit software which operates on the laptop computers issued to each staff member.

Findings resulting from the audit are discussed with appropriate auditee agency staff and subsequently forwarded in writing by means of a management letter to the appropriate level of auditee agency management. A response in writing to the issues raised by Audit is sought from auditee agency management. The time period for a response is usually four weeks.

At the conclusion of each audit, a series of quality control reviews are undertaken by senior audit officers to ensure that:

- The work performed was of an acceptable professional standard including adequate explanation

and understanding of the impact of material events occurring in the auditee agency.

- Sufficient work was performed in order to form an opinion on the auditee agency's financial statements.
- The work performed was in accordance with that planned or good reasons exist (and are documented) for any material deviations.
- The results have been conveyed accurately and in a timely manner to auditee agency management.
- A written response has been received.
- The opinion expressed on the financial statements is reflected by the results of the audit.

In accordance with professional standards, the Auditor-General issues an opinion on the financial statements of each auditee agency through a document known as an 'Independent Auditor's Report'.

The Independent Auditor's Report in most cases is not modified. However, where the results of an audit are not satisfactory or where the accounting treatment for certain transactions does not comply with applicable professional accounting standards, the Independent Auditor's Report may be qualified, or in extreme cases, no opinion may be expressed. The inability to express an opinion signals the fact that there were issues associated with the audit of an auditee agency that warranted the attention of the Government and the Parliament. In accordance with professional requirements, full reasons are provided in those cases where the Independent Auditor's Report is modified.

Efficiency and Economy Audit

Subsection 31(2) of the Act authorises the Auditor-General to examine the efficiency and economy in which a public authority uses its resources. Such audits

are also known as 'value for money (or performance) audits'. This type of audit can be diverse in respect of the types of issues reviewed. It may be large and complex, it may encompass more than one organisation, or alternatively, it could be relatively small and cover only one section or part of an organisation.

The methodology and approach adopted will, of course, vary from one subject matter to another. The overall methodology to be followed however, will encompass the following stages:

- planning;
- identifying the measurement model;
- fact gathering;
- assessment of facts against the measurement model;
- forming provisional conclusions;
- natural justice/procedural fairness processes;
- quality control;
- reporting.

The Act provides the Auditor-General with flexibility regarding reporting the results of efficiency and economy audits to Parliament. They may be included in the Auditor-General's Annual Report or they may be the subject of a separate report produced in accordance with section 37 of the Act.

Review of the Adequacy of Controls Exercised by Auditee Agencies

The responsibility to prepare financial statements and to present them for audit rests with the senior management of each auditee agency. That level of management also has a responsibility to maintain accounting systems which provide a high level of assurance over the accuracy of financial records and which safeguard the assets of the auditee agency. An essential part of achieving this high level of assurance is the implementation and maintenance of a sound system of internal control.

Within the South Australian public sector, this responsibility for internal control systems is mandated in the Treasurer's Instructions, issued pursuant to the Act. Specifically Treasurer's Instruction 2 'Financial Management Policies' requires the Chief Executive of a public authority to ensure that the authority develops, implements and documents policies, procedures and systems which will assist the Chief Executive and the responsible Minister to discharge accountability in relation to the authority's:

- reporting of financial information to users of financial reports;
- application of accounting policies;
- financial management;
- internal control systems;
- business policies and practices;
- compliance with applicable laws and regulations;
- monitoring and controlling risk.

The requirement for the Auditor-General to assess the adequacy of the management approach is prescribed in section 36 of the Act. That section requires the Auditor-General to form and express an opinion as to whether:

... the controls exercised by the Treasurer and public authorities in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities is sufficient to provide reasonable assurance that the financial transactions of the Treasurer and public authorities have been conducted properly and in accordance with law.

To satisfy this legislative requirement, the Auditor-General expresses a separate control opinion for the Treasurer and for individual public authorities that are published in the Auditor-General's Annual Report to Parliament.

Accordingly, the audits of public sector agencies conducted by the Auditor-General must place particular emphasis on the identification, evaluation and testing of each auditee agency's system of internal control.

The Department has developed a separate Controls Opinion Methodology, which formalises the processes involved in planning for, conducting, and reaching conclusions with respect to the opinion on internal controls.

Examination of the Accounts of a Publicly Funded Body

When requested to do so by the Treasurer, the Auditor-General is also empowered to examine the accounts of any publicly funded body or publicly funded project. These examinations are conducted, funded and reported as 'special investigations'.

A publicly funded body or publicly funded project is defined in the Act as either an entity constituted under the *Local Government Act 1934* or any body or person carrying out functions of public benefit that has received money from the State by way of grant or loan. A publicly funded project is defined as a project or activity entirely or substantially funded out of money provided by the State or an entity constituted under the *Local Government Act 1934*.

Subsection 32(3) of the Act requires that any report resulting from such an examination be tabled in both Houses of Parliament.

No request to undertake an examination pursuant to Subsection 32 was received during the year.

Review of a Summary of a Confidential Government Contract

Section 41A of the Act requires the Auditor-General, at the request of a Minister, to examine and report on summaries of confidential government contracts. These examinations are conducted, funded and reported as 'special investigations'.

The Report of the Auditor-General, expressing an opinion on the adequacy of the summary, is to be presented to the requesting Minister and is to be presented to both Houses of Parliament.

During 2006-07 there were no such summaries forwarded to the Auditor-General for examination and report.

WHISTLEBLOWER LEGISLATION

In accordance with guidelines issued by the Commissioner for Public Employment, this Department has identified six senior officers to be 'responsible officers' to receive and action disclosures under the *Whistleblowers Protection Act 1993*.

Where complaints pursuant to the *Whistleblowers Protection Act 1993* are received by the Department, they are investigated.



Special Issues of Focus by the Auditor-General's Department During 2006-07

ABOLITION OF THE DEPARTMENT FOR ADMINISTRATIVE AND INFORMATION SERVICES

The Government announced the abolition of the Department for Administrative and Information Services (DAIS) in the 2006-07 Budget.

The DAIS activities were reassigned to the Department of Treasury and Finance, the Department of the Premier and Cabinet, the Department for Transport, Energy and Infrastructure and the Attorney-General's Department.

In 2006-07 Audit re-assessed its strategy for the audit of the activities of the former DAIS and how the audit of the new financial reporting arrangements would be achieved. Additional audit effort was required as individual financial systems operated by the former DAIS were maintained and solutions put in place to allow financial information transfers to the newly responsible agencies. Further accounts for the period to 31 December 2006 were audited to verify the net assets transferred to the receiving agencies.

In 2007-08 Audit will reassess the audit strategy pending rationalisation of systems into the new agencies.

HEALTH REGIONALISATION

Country Health

Country Health SA Inc was established on 1 July 2006 from the Department of Health's Office for Country Health and the associated seven country regions.

The Auditor-General was made responsible for auditing the consolidated financial statements for Country Health SA Inc during 2006-07. Arrangements to meet the new audit responsibilities were put in place. They involve using the services of the existing region auditors under sub-contract to the Auditor-General.

INFORMATION AND COMMUNICATIONS TECHNOLOGY

Information and communications technology (ICT) remains prominent in agency service delivery and business processes. In 2006-07, Audit continued to apply a strategic approach to ICT audits to produce timely and relevant reports in this area. Major changes have occurred which have required audit consideration. Those changes have included:

- implementation of a number of reforms related to information systems governance at a whole-of-government and agency level;
- disengagement of a major long-term contract for the supply and management of ICT infrastructure and services by EDS Australia to agencies of government;
- establishment of new contracting arrangements for those services by a number of ICT equipment and service providers.

The establishment of the Office of the Chief Information Officer (OCIO) in late 2004 has had a impact on the review focus by Audit. This focus centres on new governance and reporting arrangements through the development and implementation of a number of government-wide frameworks. Further, the OCIO is developing a whole-of-government ICT Strategy which will have important implications for the future direction of ICT in this State.

Certain changes have also required audit focus as a consequence of the Government's Future Information and Communications Technology (FICT) Service Arrangements program. This program has resulted in the implementation of a range of new contracting arrangements starting from 2006. Audit's focus has been to review aspects of the disengagement of the EDS Australia contract arrangements, procurement processes, contract

establishment and management and transition to new suppliers of ICT equipment and services.

During 2007-08, this Department's specialist Information Technology Audit section will continue to give consideration to important aspects of ICT at a whole-of-government and agency level.

NATURAL RESOURCES MANAGEMENT ACT 2004

The *Natural Resources Management Act 2004* (the NRM Act) divides the State into natural resources management regions and appoints a Board to manage the natural resources of the regions, and establishes a Natural Resources Management Council to oversee the regional management arrangements.

These Boards assume responsibilities previously assigned under various Acts, such as the *Animal and Plant Control Act 1986* and the *Water Resources Act 1997*, and replace seventy nine Animal and Plant Control and Soil Conservation Boards not previously audited by the Auditor-General and the eight Catchment Water Management Boards previously audited by the Auditor-General.

Eight Natural Resources Management regions and Boards have been established, and as the NRM Act is progressively implemented there will be ongoing changes to our audit portfolio and responsibilities to be monitored and managed.

The primary audit task in 2006-07 was auditing the transitional arrangements under the NRM Act, involving auditing or obtaining audited information from the affected entities, the majority of which, as mentioned, were not previously audited by the Auditor-General. Under the transition legislation, boards were variously required to prepare both individual and consolidated financial statements for entities within their region.

Not all boards had prepared 2005-06 financial statements as at 30 June 2007. Audit work has consequently been prolonged and more demanding on audit resources than expected. In 2007-08 the remaining 2005-06 audit work and 2006-07 audits will be completed.

DEPARTMENT FOR FAMILIES AND COMMUNITIES REFORM

The State Government has implemented reforms to the housing and disability sectors.

Three disability services, which were previously established as incorporated health services under the *South Australian Health Commission Act 1976*, were dissolved and their operations transferred to the Department for Families and Communities (DFC). The Intellectual Disability Services Council and the Independent Living Centre were dissolved with effect from 1 July 2006 and their activities are reported in the DFC's financial statements for the year ended 30 June 2007. Julia Farr Services was dissolved with effect from 1 July 2007.

The housing sector has been restructured with the dissolution of the South Australian Community Housing Authority and the South Australian Aboriginal Housing Authority with effect from 1 July 2007 and the transfer of their activities, assets and liabilities to the South Australian Housing Trust, which continues as a statutory authority with a board of management.

In addition to these reforms the Metropolitan Domiciliary Care Services, an incorporated health service, was dissolved and its operations transferred to DFC with effect from 1 July 2007.

Additional audit focus and resources were required to audit the revised arrangements.

Indicators of Workload and Performance

The Auditor-General is appointed as the auditor of public sector agencies by statute. The amount of work required on an audit to enable an audit opinion to be expressed is determined by professional standards.

The quality of the work carried out by this Department and the value and quality of the output produced in the form of reports cannot be assessed by statistical means alone.

That quality requires assessment by:

- subjecting the work undertaken to an independent professional review;
- obtaining feedback from the users of the reports produced.

Nevertheless statistics can be and are used to assess the workload and the performance of this Department.

The main measure of performance used is one that relates to the time expended on segments of audits (and on whole audits) compared with that budgeted.

The Strategic Management System (SMS) provides time recording, audit budgeting, billing and reporting functionality. In addition the system is used to produce management information for planning and monitoring purposes.

During the year the Department continued to develop the reporting capability of that system to provide the Executive with management information including monthly audit activity statistics to assist in the management of the Department's operations

The tables below provide a summary of some indicators of the Department's workload and of its performance for the past three years.

In interpreting those statistics relating to time expended on audits, it should be noted that the financial year for most auditees ends on 30 June and the figures shown relate to the audit year for those audits which usually runs from October until the following September.

Workload	2006-07	2005-06	2004-05
Audits undertaken as at 30 June	174	178*	178
Average working days between auditee's end of financial year and issuing of an Independent Audit Report	102*	70	66
Hours expended on staff preparing, presenting and attending professional development courses	5 928	8 268	8 107
Hours recorded as leave taken during the financial year	31 539	29 735	29 760

* As part of the transitional arrangements associated with changes in the environmental area, the Department was also required to audit an additional 32 Animal and Plant Control Boards, 8 Catchment Water Management Boards and 42 Soil Conservation Boards in 2005-06. This was in addition to the on-going audit obligations from 2005-06 for eight Natural Resource Management Boards.

All of the Boards in 2005-06 experienced major delays in preparing and submitting for audit complete financial statements to this Department. As at the date of this report we are yet to finalise the 2005-06 audit of a number of these entities because of the delays. As a result these audits had a significant impact on the average time taken to issue IAR's for the 2005-06 reporting year.

Chargeable Hours Spent on Financial Compliance Audits	2005-06 Audits	2004-05 Audits	2003-04 Audits
Conduct of Audits	83 695	80 215	77 944
Management of Audits	10 907	10 335	10 087
TOTAL	94 602	90 550	88 031

Benchmarking

The Department participates in benchmarking exercises with other audit offices as part of its involvement with ACAG. During the year the Department participated in benchmarking our audit cost and inputs to other audit offices.

The performance indicators used in these exercises need to be used with some caution due to the following factors:

- Differences in geographical size and associated travel costs in some jurisdictions.
- Differences in audit mandates, ie audit offices are required to express opinions of various matters viz:
 - performance indicators,
 - controls exercised by auditees.
- Differences in administrative procedures, ie some offices make extensive use of contractors.
- Differences in the way auditees operate, including their organisational structure and the financial systems utilised.



Corporate Support Services

CORPORATE STRATEGY AND SUPPORT

The Corporate Strategy and Support section provides services to the Department in two key areas:

- Corporate Strategy – strategic, risk management and annual operational planning, monitoring and reporting.
- Corporate Support – report production and general administrative support services.

Corporate Strategy

Role and Function

The Corporate Strategy team supports the Department's Strategic Management Framework by:

- managing the development of the Department's Corporate, Annual and Risk Management Plans;
- designing systems and processes for monitoring and reporting on the achievement of planned outcomes;
- contributing to Executive decision making in relation to corporate initiatives;
- implementing allocated strategic initiatives.

Our Corporate, Annual and Risk Management plans together ensure that everyone in the Department knows what needs to be done, and that departmental effort is directed towards the outcomes we seek. Coordinating the development of these plans is a core part of the work of the Corporate Strategy team. The team also administers the Strategic Management System, a project management database that provides the information used by the Executive to monitor and measure our performance against our plans. The system produces high level performance data, operational information for audit management purposes, and audit fees.

The Executive monitors progress against our strategic targets and planned actions through a series of regular meeting forums, and by maintaining clear lines of communication with Managers and staff to keep in touch with issues facing audit teams.

Achievements

Corporate Plan

This year saw our transition to the current Corporate Plan, which covers the period 2006-07 to 2007-08. Launched in November 2006, it builds on our successes from the previous planning period, when we achieved most of what we set out to do. Development of the new Corporate Plan was a key output for the team this year, and working with people from our Information Technology section the corporate Plan was published in-house for the first time.

Our achievements under the previous Corporate Plan have been acknowledged through past reports, but it is worth again highlighting our most significant accomplishments:

- implementation and application of the Strategic Management Framework for enhanced planning, performance monitoring and accountability;
- implementation of the Strategic Management System, and continued improvement in management reporting from this system;
- an ongoing program of high quality and focussed training and development for our staff;
- an ongoing commitment to personal performance management through our Performance Review and Development process;
- formalisation of our communication framework;
- further strengthening of our internal peer review process, and a continued commitment to ensuring that quality control is exercised over the audit process;
- ongoing improvement in our IT systems and infrastructure;
- implementation of a new Electronic Document and Records Management System.

Annual Plan

Most of the performance targets we have set for 2006-07 have been materially met or exceeded. We maintained our commitment to the strategies implemented in the previous planning cycle, and made notable advancements in the areas of strategic monitoring, providing opportunities to our staff for professional growth and the effectiveness of our quality assurance processes. These and other significant achievements are discussed under the relevant areas of this Report.

Risk Management

Risk management planning is fundamental to effective corporate governance. It identifies and assesses risks, and it outlines appropriate treatments to reduce risks to acceptable levels. It also provides a framework for identifying opportunities for improvement that might otherwise be overlooked.

This year we reviewed and updated our risk management statement and plan to improve their effectiveness. Our risk management plan identifies all our major strategic, audit and operational risks, and our responses to them. There are no existing or emerging risks that do not have an effective management plan in place. The plan is regularly monitored by the Executive.

Strategic Management System

We have continued to improve our use of the data collected by our Strategic Management System, particularly in the areas of statistical activity reporting, raising audit fees and providing information to support Executive planning of audit allocations and budgets.

Outlook

In 2007-08 we will continue our commitment to monitoring the implementation of the Annual Plan, and will seek to further enhance our reporting of information maintained within the Strategic Management System.

Importantly we will coordinate the development of the next Corporate Plan, due for release in October 2008.

Corporate Support

Role and Function

The role of Corporate Support is to provide a range of administrative and support services, including:

- production of all reports to Parliament;
- administration of our corporate electronic document and records management system;
- reception and word processing services;
- management of general office supplies;
- provision of high quality administrative support to other areas the Department.

Achievements

Records Management

In late 2005-06 we implemented a new electronic document and records management system, TRIM Context. The system enables us to capture electronic documents from any source, store them centrally and re-access them in their native format. It provides very powerful search capability and secure access control over all corporate records.

This year we concentrated on ensuring that the change management process was properly planned, and that policies and procedures to support the system were in place prior to a decentralisation of aspects of records management throughout the Department. We were pleased to realise a significant improvement in our records management service, with electronic records proving to be easily accessed and retrieved. The staff who are using the system to maintain their own records have reported a notable improvement in the timeliness of record capture, and the ease with which electronic records are captured.

Outlook

Implementation of TRIM across the Department will resume in 2007-08. The Corporate Support team will have a significant role in training staff to effectively manage and use information within the system, and in monitoring compliance with policies and procedures.

FINANCE

Role and Function

The role of the Finance section is to manage the Department's finances efficiently and responsibly, and provide payroll and other services which support the needs of employees.

The main functions of the section include:

- Financial Services – transaction processing, i.e. accounts payable, accounts receivable and asset register functions.
- Financial Monitoring - budgetary, statistical and monitoring reports including the Department's annual financial statements, and Department of Treasury and Finance returns.
- Payroll Services – including position maintenance, payroll processing, superannuation, taxation, flexi time and leave records, and the provision of workforce statistics.
- Taxation Compliance – preparation of BAS and FBT returns.
- Services relating to office accommodation.
- Coordination of occupational health, safety and welfare activities.

During the year the Finance section met all reporting requirements, maintained an effective internal control system, and contributed to the achievement of budgeted financial performance for the Department. Continuous improvement in the quality of services provided is an ongoing objective for the section, and changes were implemented to associated work practices to improve operational efficiencies.



Payment of Accounts

All agencies are required to provide monthly statistics on the number and value of creditors' accounts paid and the extent to which the accounts have been paid in accordance with Treasurer's Instruction 11.

The following table presents statistics on the timing of payments to creditors. During 2006-07 the Department was able to pay 94 percent of all invoices by the due date. The acceptable best practice benchmark is to pay 90 percent of accounts within 30 days.

Timing of Payments	Number	Percentage	Value \$'000	Percentage
Paid by the due date	966	94	2 748	89
Paid late less than 30 days	53	5	223	7
Paid more than 30 days after due date	8	1	107	4
Total	1 027	100	3 078	100

Fraud Management

The Department is committed to maintaining a working environment free from fraud and unethical behaviour. Systems are in place to prevent or detect the occurrence of any fraudulent practices.

Overseas Travel

No staff have been overseas for business purposes.

Greening of Government Operations (GOGO) Framework**Energy Management – GOGO Priority Area 1****Lighting**

The office layout of the Department maximises the penetration of natural light in individual offices and workstation areas.

The offices have been installed with movement sensors that control both the air conditioning and artificial lighting which minimises the need for lighting and reduces energy demand. In addition, timers have been installed to the kitchen boiling water units so that they operate only during business hours.

Equipment and Appliances

The operations of the Department are assisted by the use of faxes and multifunction photocopiers. The photocopiers have facilities for double-sided printing, energy saver mode and an auto-off timer which reduces the electricity use.

We use of flat screen LCD monitors with lower energy demand. Our few remaining cathode ray tube screens are scheduled for replacement with flat-screens in 2007-08.

For energy conservation, the Department has implemented a policy that all non-essential computers are to be switched off at close of business.

PAPER CONSUMPTION FOR 2006-07

Total Expenditure on Paper \$	Cost per Ream \$	Estimated Consumption
6 000.00	4.17	1 439 reams

Energy Efficiency Action Plan Reports

The Department leases its accommodation in the State Administration Centre (1.5 floors) and in conjunction with building management, manages the way in which it uses light and power.

ENERGY CONSUMPTION FOR 2006-07

Energy Use (KWH)	Energy Use (KWH/Capita)*
124 630	-

CARBON DIOXIDE (CO2) EMISSIONS

Carbon Dioxide (CO2) Tonnes	Carbon Dioxide (CO2) Tonnes/Capita*
130	-

* The nature of audit operations means the majority of field staff are not permanently based within head office premises. To express energy consumption and emissions per capita would reflect an inaccurate indicator.

PERFORMANCE AGAINST ANNUAL ENERGY USE TARGETS

	Energy Use (GJ)	GHG Emissions Tonnes	Business Measures (MJ/m ²)
Base year 2000-01	450	148	290
Year being reported	449	130	289

Water Conservation and Water Management – GOGO Priority Area 2

The nature of the Department's operations is such that water consumption is solely related to use in the kitchens and toilets.

Water Consumption for 2006-07

Water consumption is not separately metered for the tenancy.

Waste Management – GOGO Priority Area 3

The Department maintains a variety of waste management and recycling arrangements including paper, cardboard, bottles, cans, newspapers, and printer cartridges. Arrangements are as follows:

- Recycle paper and confidential paper are collected on a monthly basis
- Cardboard is collected on an as-needed basis
- Newspapers, cans and bottles are collected on a monthly basis
- Printer cartridges are traded in for recycling.

HUMAN RESOURCES

Role and Function

The Human Resource function supports the Executive in the development and implementation of strategic human resource initiatives.

Achievements

The achievements of the section and the Department are outlined in the section 'Human Resources Management and Development'.

INFORMATION TECHNOLOGY SUPPORT

Role and Function

The Information Technology Support section's role is to provide a support/service function relating to all information technology aspects of the Department's operations including:

- ensuring the continued availability of suitable hardware and software, through a designated maintenance, upgrade or replacement program;
- ensuring adequate hardware, software and networking facilities are available to meet the anticipated user and processing demands;
- evaluating new and upgraded software products and audit applications;
- providing and supporting the communications, networking and internet requirements of the Department and individual staff;
- ensuring the continuity, integrity and security of the Department's facilities, infrastructure, network and data;
- providing ad hoc support, assistance or advice on a day-to-day basis, to all staff to maximize operational efficiency including:
 - on demand assistance with hardware or software faults,
 - general assistance/instruction for staff in the use of the software and functions available;
- providing ad hoc support, assistance or advice on a day-to-day basis in the production of reports to Parliament.

Achievements

Laptop Upgrades

During the year the Information Technology Support section normally undertakes the replacement of approximately 50 percent of laptop computers as part of the Department's replacement program. This year a decision was made not to upgrade laptops. Given the performance of laptop computers has not significantly improved, a decision was taken to retain the existing laptops for another year and reallocate the funding to accommodation upgrade initiatives.

Accommodation Upgrade

An accommodation upgrade has been initiated to improve the current facilities available to staff in the following key areas: meeting rooms, conference room, kitchens, selected offices and storage facilities. Renovations of the 10th floor of the State Administration Centre will be completed by December 2007.

Server Reliability Program

An extensive program of server upgrades has been undertaken resulting in all the Department's servers being updated. The key purpose of these upgrades is to ensure the maximum possible reliability, continuity and security of the network and its data. New backup and recovery systems have also been implemented.

Ergonomics

This year the Department has further addressed the ergonomic needs of staff. This review has resulted in improved work stations for staff comprising new desks, monitors and keyboards both within the Department's facilities and at many offsite locations.



RESEARCH AND QUALITY ASSURANCE

Role and Function

The Research and Quality Assurance (RQA) Team’s charter is to provide a professional research and advisory service to the Executive and staff and to contribute to the continuous improvement of the Department’s auditing processes.

The Team’s specific objectives are to:

- Identify areas for improvement in the efficiency and effectiveness of auditing operations and methodologies.
- Ensure that effective quality control policies and procedures are in operation.
- Provide professional advice on emerging technical issues and respond to technical discussion papers issued by professional accounting and auditing bodies.
- Provide training to staff on audit methodology and associated audit tools.

- Provide a ‘hot-line’ service to support the users of the specialised audit software.

Achievements

The major achievements over the past year include:

- Developing and implementing a strategy to address and incorporate into our existing audit methodology the additional audit requirements arising from the recent changes to the Australian Auditing Standards effective 1 July 2006.
- Progressing the development of a revised robust quality assurance process. In conjunction with other public sector audit offices, focus was given to developing a process to address the requirements of the new professional pronouncements specifically relating to quality control.

- Conducting a series of reviews of selected audit files with the principal purpose of reviewing the application of the AGES Audit Methodology (an acronym for Audit Guidance and Evaluation System) to assess compliance with the requirements of the Australian Auditing Standards and Departmental policies.
- The conduct of the training programs as planned per the Department's Professional Development Program.
- Contributing to the preparation of a number of departmental responses to requests from the Department of Treasury and Finance concerning proposed public sector financial reporting requirements.
- Commencing a project focusing on identifying and understanding audit methodologies used by other public sector audit offices.

New Australian Auditing Standards

The Auditing and Assurance Standards Board issued revised auditing standards effective 1 July 2006. A comprehensive review of the auditing standards was performed, including identifying new requirements and evaluating the possible impact on the Department. The RQA Team developed and implemented a strategy to address and incorporate into the existing audit methodology the additional audit requirements arising from the changes.

The efficiency and effectiveness of the approach to address the new requirements within the existing audit methodology was considered paramount. All requirements have been successfully implemented.

Quality Assurance Framework

To achieve our corporate objective of performing professional independent audits of the accounts of the Treasurer and the accounts and operations of

public sector agencies, the Department, is committed to ensuring that quality control is exercised over all phases of the audit process.

As the current audit methodology has been operational in the Department for a number of years, one of the principal tasks assigned to the RQA Team is the development and implementation of a new integrated and robust quality assurance framework covering audit work associated with both the financial attest and control opinion audits.

The development of this framework is a significant task and substantial progress has been made over the past year. During the year, in conjunction with other public sector audit offices, focus was given to developing a process to address requirements of the new professional pronouncements specifically related to quality control. Work in this area continues.

One of the strategies forming part of this framework is the continuation of an annual program of independent quality assurance reviews of agency audits.

The process for the annual quality assurance review of agency audits was again refined this year. For the first time, the process was separated into two components. The first component focused on reconsidering the audit strategy applied in undertaking the audit, including the assessment of whether the planned strategy adequately catered for audit risk, was executed as planned and whether an appropriate audit opinion had been expressed for both the financial attest and controls opinion audits. Consideration was also given to the requirements of the Australian Auditing Standards and Departmental policies. Senior management took responsibility for the performance of these reviews, with support from the RQA Team and consultants from Deloitte Touche Tohmatsu.

There was a clear benefit in using departmental staff on the review as it allowed a more detailed review to be undertaken, contributed to the development of our own staff and gave a sense of ownership of the process to the staff themselves. The expertise and contribution of the external consultants was valuable in undertaking the review.

The second component of the review was a compliance review, focusing solely on assessing whether selected departmental policies and practices had been complied with. These reviews were performed by consultants from Deloitte Touche Tohmatsu.

It was concluded that the audit files reviewed this year were completed in accordance with the requirements of professional auditing standards and Departmental policies. Notwithstanding this overall conclusion, areas for improvement were noted. All findings were discussed with those concerned as part of the natural justice process prior to being conveyed to Executive.

The involvement of senior management in the peer review process facilitates the dissemination of review findings to all staff.

Given the success of the program, further reviews will be undertaken next year.

Staff Development

The Department places a high priority on ensuring that all employees are properly trained and kept informed of major developments in the accounting and auditing profession so that each person is able to operate at a high level of proficiency.

The training and development of staff within the Department has been critical in developing the intellectual capital of the organisation. The continued maintenance and upgrading of knowledge and skills has contributed to a highly competent, professional and committed workforce.

To ensure success, it is imperative that a professional training and development program commences from the time a graduate first enters the Department and continues through to all levels up to and including senior management. As part of the graduate induction course, the RQA Team is responsible for training all graduates in the audit methodology and audit tools used by the Department.

The RQA Team also regularly provides all employees with information relevant to their work. This information has included details of:

- the operation of the AGES methodology within the Department;
- developments in accounting and auditing standards;
- significant developments within the public sector that may have audit implications;
- progress made with respect to projects undertaken by the RQA Team.

This information is available online through a centralised network system.

Human Resources

Management and Development

HUMAN RESOURCES STRATEGY

The ability to attract, develop and retain highly skilled and committed professional people is critical to the Department. During the year the Department continued to focus on the management of human resources and implementing strategies and programs to develop and improve the skills of its employees.

A summary of the specific strategies and programs is provided below.

Delegations

A comprehensive human resource delegations manual has been developed and is supported by procedural guidelines. The development of the delegations manual was supported by an implementation plan. That plan comprised information sessions for Executive and senior management, where comments and feedback were sought; monitoring of the delegations; and a review process after six months. That review process resulted in a re-issue of the delegations manual.

Policy Development

Extensive review of human resource policies commenced this year, to ensure consistency with the updated Commissioner's Standards, and to reflect recent government initiatives and the Department's evolving human resource practices.

The review of policy documents identified further areas for development and while good progress has been made with implementing revised policies, a number of policies are still in draft form and are undergoing a consultation process. The review of policies will continue next year.

Advisory and Consulting Services

An important aspect of the human resource role is the provision of extensive advisory and consultancy services. The Executive, senior management and employees have been supported through human resource processes such as employee relations, employee assistance program, recruitment processes including graduate recruitment, probation management, classification and organisational development, policy interpretation and enrolment in professional study programs.

Performance Management

The Performance Review and Development process continues to be an integral part of developing staff capability.

The process is focused on employees and managers working together to identify objectives and development opportunities and then developing individual plans to achieve these. This process assesses the employee's competency against core competencies and their performance of key responsibilities or key outcomes from their job description. The table below summarises the number of performance development plans.

Regular reference to personal development action plans is encouraged, especially in conjunction with training and development activities, to ensure that they are relevant to the Department and meaningful to the individual.

The Performance Review and Development system continues to be reviewed for effectiveness and is integrated into the Professional Development Program to ensure consistency in learning and development outcomes.

DOCUMENTED INDIVIDUAL PERFORMANCE DEVELOPMENT PLAN

Employees with	Percent of total workforce
A review within last 12 months	80
A review older than 12 months	20
No Review	0

Communication Process

Continuous improvement in communication and consultation processes continues to be a priority. Effective communication processes and working relationships with clients are also promoted.

Regular departmental information sessions and senior management group meetings were held during the year to increase the formal communication networks and support informal networks which are especially important when staff spend a high proportion of time at client worksites.

PLANNED HUMAN RESOURCE DEVELOPMENT

Particularly high importance is attached to the development and training of employees in order to achieve corporate goals and public sector responsibilities.

Training and development occurs in a number of ways including the Department's own professional development program, formal accredited education and training courses, conferences workshops and seminars. This is supported by a high commitment to planned on-job training to reinforce and consolidate learning from formal programs.

The following activities have been this year's focus:

Professional Development Program

The 2006-07 program provided a range of training, development and learning activities for the varied and changing needs of the Department and its employees.

Training needs are identified through a variety of sources, most significantly from discussions with the Executive, feedback from the performance management process, formal meetings with focus groups and informal feedback from staff and managers.

All training supports the key competencies framework which identifies the competencies required by staff at each level in the Department.

The program provides technical, personal and management development courses. The courses included in the 2006-07 Professional Development Program are listed in Appendix B.

Key areas of the program were:

- induction programs;
- graduate development program and training in technical and computer software skills;
- training to consolidate the performance review and development process;
- ethics and public sector responsibilities;
- report writing;
- equal opportunity training;
- behavioural interviewing techniques for selection panels;
- leadership development.

Staff are also supported to attend external courses, conferences and seminars to assist in the achievement of the Department's business needs. Appendix C lists the main external training courses attended by employees in 2006-07.

Contact Officer Training

To support the policy development and implementation, training for Contact Officers was a high priority. As part of the implementation of the Fair Treatment in the Workplace policy, 14 staff participated in training presented by the Equal Opportunity Commission on preventing bullying, discrimination and harassment.

Report Writing

During the year a workgroup of three field audit staff and a Director of Audits developed and implemented report writing standards across the Department.

The main achievements of the report writing workgroup to date have been:

- engagement of an external service provider through a tender process;
- overseeing the development by the external service provider of the following:
 - a Plain English report writing style guide;
 - a Plain English training program for the whole department.

The training program was a two day practical workshop covering a number of principals and tools to improve written structure and expression.

Prior to training, all participants were required to submit a document they had written for review by the course facilitator to identify additional issues that may need to be addressed during the training course.

All Directors of Audit, Field Audit Managers and AS06 Deputy Audit Managers were involved in the first round of training in February to May 2007 and all other departmental staff will complete the training in the next six months.

Leadership Development

The Department's leadership and management development framework supports the key competencies framework and further defines the essential responsibilities of each classification level to ensure that all programs support the job and leadership responsibilities at each stage of their career. The framework also ensures that leadership development programs consolidate skills and equips staff to take on further responsibility as they progress their career.

The leadership development program in 2006-07 focused on the ASO 4 and ASO 5 levels, which were identified as areas of specific need. A customised program was developed for each level, with an emphasis on supervising and training others, and managing teams.

Total expenditure on leadership and management development training for *Public Sector Management Act 1995* employees for 2006-07 was 2.2 percent of total employee remuneration expenditure.

Total training and development expenditure for all employees for 2006-07 was five percent of total remuneration costs by salary.

The figures in the table below demonstrate this high level of commitment to and participation in training across the Department.

Salary Bracket	Target 2006-07	Actual 2006-07	Target 2007-08
0– \$43 999	9	10	9
\$44 000 – \$56 999	6	4	6
\$57 000 – 72 999	5	4	5
\$73 000 – \$91 999	4	4	4
\$92 000 +	2	3	2
TOTAL	5	5	5

Leadership development is also supported by providing places in the Professional Development Program at the University of Adelaide. During 2006-07 five staff participated in various intakes. A valuable aspect of this program is the completion of a work based project which focuses on an aspect of organisation improvement.

Professional Study

Continued career development opportunities were provided to employees through study time assistance and fee reimbursement for designated courses, mainly in the professional programs of CPA Australia and the Institute of Chartered Accountants.

The reimbursement of fees during the year for the completion of approved studies totalled \$26 000 and study time totaling 1050 hours was granted reflecting ongoing support to staff to pursue current studies.

To effectively discharge the Auditor-General's broad audit mandate, it is essential that employees possess tertiary and post-graduate qualifications.

The table below outlines the main tertiary qualifications held by audit and non-audit employees. Several employees hold two or more qualifications.

Qualifications	Number
Bachelor of Arts (Accountancy)	15
Bachelor of Accountancy	4
Bachelor of Economics (Accountancy)	7
Bachelor of Economics	4
Bachelor of Business (Accountancy)	5
Bachelor of Commerce	54
Other Degrees	25
Diploma in Accountancy	8
Other Diplomas	10
Certificates	19

Professional Bodies/Institutions

Most employees are members of professional bodies and some are members of more than one professional body.

Employees are encouraged and supported to attain professional accreditation with CPA Australia (CPA status) and/or the Institute of Chartered Accountants. In addition a number of employees participate on special interest committees and working groups associated with the South Australian Division of CPA Australia.

Sixty employees are members of CPA Australia. One of these employees holds the designation of Fellow of that professional body. In addition, five employees are members of other professional bodies. The names of all employees in the Department, their tertiary qualifications and membership status are listed in Appendix D.

WORKFORCE DIVERSITY

The Department continues to demonstrate its commitment to managing diversity through the implementation of new initiatives and the ongoing review of policies and practices.

Age Profile of Employees

At 30 June 2007 the average age of the Department's employees was 35 years compared with 35 years 2 months as at 30 June 2006. More than half of the staff (55 percent) are under 35 years of age as compared with the South Australian workforce statistic of 37.3 percent.

Workforce Age Bracket	Male	Female	Total	Percent of Total	Benchmark
15-19	0	0	0	0	6.7
20-24	3	14	17	15.05	10.5
25-29	10	20	30	26.55	10.2
30-34	6	9	15	13.27	9.9
35-39	6	6	12	10.62	11.2
40-44	10	8	18	15.93	11.9
45-49	4	4	8	7.08	12.3
50-54	5	2	7	6.19	11.3
55-59	4	0	4	3.54	8.6
60-64	2	0	2	1.77	2.4
TOTAL	50	63	113	100	100.0

Flexible Working Arrangements

The opportunity to access flexible work arrangements such as flexi time and part-time work is an important retention tool for the Department and there has been an increased level of employee participation since the implementation of the Part Time Policy.

	Male	Female	Total
Purchased Leave	0	0	0
Flexitime	44	63	107
Compressed Weeks	0	0	0
Part-time/Job Share	0	10	10
Working from Home	0	0	0

Indigenous Employees

The Department is committed to implementing strategies which promote equal opportunity and has used the resources of the Aboriginal Recruitment and Development Strategy unit through a number of recruitment and selection processes.

Number of Aboriginal and/or Torres Strait Islander Employees					
	Male	Female	Total	Percentage of Agency	Strategic Benchmark*
Aboriginal/Torres Strait Islander	1	1	2	1.8	2.0%

* Benchmark from State Strategic Plan

Cultural and Linguistic Diversity

As shown in the table below the Department has a number of employees who speak languages other than English at home.

	Male	Female	Total	Percent of Agency	Percent of SA Community*
Number of Employees born overseas	10	12	22	19.47	20.3
Number of Employees who speak language(s) other than English at home	9	15	24	21.24	15.5

* Benchmarks from the ABS Publication Basic Community Profile (SA) Cat No. 2001.0

Disability Action Plans

The Department actively participates in programs such as the Disability Employment Strategy and focuses on providing a supportive work environment. At 30 June 2007 there were no employees with ongoing disabilities requiring workforce adaptation

RECRUITMENT, ATTRACTION AND RETENTION

A priority has been the planning and implementation of strategies to ensure that the Department can achieve its business objectives now and in the future.

A number of recruitment and selection processes for identified field audit positions were implemented. These processes include short term development opportunity placements, implementation of strategies to increase the field audit vacancy pool and developing strong and supportive relationships with professional bodies.

Graduate Recruitment Program

A major component of the Department's recruitment and workforce planning strategy is the Graduate Recruitment Program. The Department runs an independent graduate recruitment program which represents the major source of new employees for the Department.

With a highly competitive marketplace and a continuing shortage of accounting graduates, the Department regularly assesses its workforce needs. While the main recruitment of graduates takes place in March to coincide with national graduate recruitment, another recruitment process is generally conducted in October each year for a January start.

A new online application process was used for the 2006-07 annual recruitment program and improved the process by ensuring eligibility criteria and application requirements were met at lodgment of applications.

We continue to actively compete for graduates by attending the University Careers Fairs and the Institute of Chartered Accountants event. The Department also sponsors prizes for academic achievement in audit subjects at each of the universities.

The graduate recruitment strategy is regularly reviewed for effectiveness and feedback from graduates and industry groups is also gathered and incorporated where possible into refining the recruitment and selection process.

Sixteen graduates were appointed during 2006-07 as the result of two recruitment processes.

	2006-07	2005-06
Graduates appointed to 30 June	16	21

Graduates are appointed under the *Public Sector Management Act 1995* and are initially employed on a 12 month probationary period. During this period, the graduate's manager completes four structured performance assessments to evaluate the graduate's work performance. This process provides the flexibility for a graduate to complete their probation at the end of nine months rather than 12 months.

A comprehensive graduate training program provides the graduate with learning and professional development opportunities within the first 2 years of employment.

The program comprises a range of modules which address areas of accounting and financial system operations and controls, auditing practice and methods and the development of personal skills and capabilities. A module on ethics and public sector responsibilities is also part of the graduate program.

An induction follow up session is organised at the completion of the initial training program where feedback on the recruitment, selection and induction process is collected from graduates and new employees for review for improvement. Feedback from graduates indicates that the training program forms a valuable part of their graduate year.

Work Experience

Work experience placements from CPA Australia again offered an opportunity for accounting students to experience the work environment and be part of an audit team as preparation for their careers.

As an initiative to attract graduates and promote a career in audit, the Department is considering broadening involvement in work experience programs in the next year.

Induction

All new employees participate in an induction program and receive an induction package which supports the information delivered during the program and becomes a useful resource document.

The induction program for graduates is generally delivered over three days. An overview of the Department is followed by an introduction to the services of each Corporate Support section. The remainder of the induction program is focused on training in audit software which is the beginning of a planned program of on and off-job training in technical and audit methodology.

During their first three months in the field, a series of checklists are completed jointly by the graduate and their manager and provide a consistent and thorough introduction for graduates. These checklists continue to be reviewed and updated to ensure that all information is accurate, relevant and current.

The Department will continue to conduct its comprehensive induction program and 12 month training program. The format and structure of these programs will continue to be evaluated and reviewed on an annual basis.

Social Club

The Auditor-General's Department Social Club enables staff, who work in separate teams and physical locations, to interact and network with each other in a relaxed atmosphere.

The Social Club Committee organises a number of events and activities for its members with all activities being funded by staff member subscriptions.

In 2006-07 events organised by the Committee included an annual dinner, a quiz night, a lawn bowls competition, Christmas picnic, Christmas lunch and a movie night. In addition, the Committee hosted a number of regular happy hours.

The Social Club also supports fundraising for various charity organisations including participation in Cancer Council Australia's "Biggest Morning Tea".

WORKFORCE PROFILE

The Department collects a range of workforce statistics to profile our current workforce and compare it with previous year.

Employee Classifications and Numbers

The Department has an approved staffing establishment of 111 full time equivalents (FTE), including the Auditor-General's position.

As at the last pay day in June 2007, the Department employed 113 people representing 107.8 FTE.

STAFFING OF THE DEPARTMENT BY SALARY BRACKET

Salary Bracket	Number of People		
	Male	Female	Total
\$ 0 - \$ 43 999	9	13	22
\$ 44 000 - \$ 56 999	9	28	37
\$ 57 000 - \$ 72 999	11	13	24
\$ 73 000 - \$ 91 999	15	9	24
\$ 92 000 +	6	0	6
TOTAL	50	63	113

STATUS OF EMPLOYEES IN CURRENT POSITION

Gender	Ongoing	FTE's			Total
		Short-Term Contract	Long-Term Contract	Other (Casual)	
Male	33	11	6	-	50
Female	39	18.8	-	-	57.8
TOTAL	72	29.8	6	-	107.8

Gender	Ongoing	People			Total
		Short-Term Contract	Long-Term Contract	Other (Casual)	
Male	33	11	6	-	50
Female	43	20	-	-	63
TOTAL	76	31	6	-	113

Gender	Percent of People	Percent of FTEs
Male	44	46
Female	56	54

NUMBER OF EXECUTIVES BY STATUS IN CURRENT POSITION, GENDER AND CLASSIFICATION

Classification	Ongoing		Contract Tenured		Contract Untenured		Other (Casual)		Total	
	M	F	M	F	M	F	M	F	M	F
EXEC B	-	-	3	-	3	-	-	-	6	-
TOTAL	-	-	3	-	3	-	-	-	6	-

NUMBER OF PEOPLE AT 30 JUNE 2007 ON LEAVE WITHOUT PAY

Number of People at 30 June 2007	
On Leave Without Pay	3

Number of People During the 2006-07 Financial Year	
Separated from the Agency	22
Recruited to the Agency	22

Work Experience Profile

At 30 June 2007 the average work experience of employees in the Department was nine years and four months compared to nine years and five months at 30 June 2006.

WORK EXPERIENCE PROFILE 2006-07

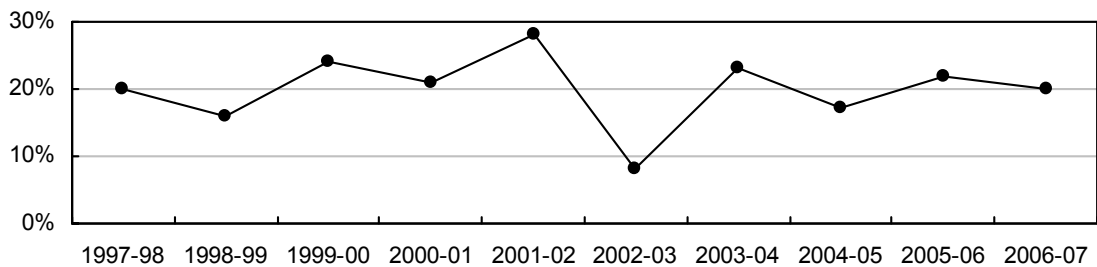
Employees with Work Experience in:	Years of Service						TOTAL
	0 <3	3 <6	6 <11	11 <16	16 <21	21+	
Auditor-General's Department	46	15	17	8	10	17	113
Public Sector	44	14	15	8	10	22	113

Employee Turnover and Movements

The average employee FTE for 2006-07 was 107.8, the same as last year and the rate of employee turnover for the financial year was 19.5 percent, a decrease from 22 percent in 2005-06.

During 2006-07, 22 employees separated from the Department and 22 employees were recruited.

EMPLOYEE TURNOVER 1997-98 TO 2006-07



The Department has a policy which encourages all employees leaving the organisation, on either a temporary or permanent basis, to participate in an exit interview process. This provides Executive with one mechanism for monitoring organisational and staff needs, and identifies the main reasons for employee turnover.

Consistent with the previous two years, the major reasons employees gave in 2006-07 for ceasing employment within the Department were:

- career and personal development;
- job challenge;
- improved promotion opportunities;
- career change.

Benchmarking

Human resource management practices are benchmarked where relevant against like organisations nationally and internationally. Some informal benchmarking of key human resource strategies against other organisations has been undertaken through networking with other audit offices and South Australian Government agencies.

Continuous Improvement in Service Delivery

The Department continues to seek employee feedback through a variety of methods as part of ongoing continuous improvement in human resource practices. Internal and external feedback is captured and used as the basis for improving workplace relationships and professionalism in service delivery.

HEALTH, SAFETY AND WELLBEING

Safety in the public sector

The Government 'Safety in the Public Sector 2007-2010' strategy is for agencies to move to a culture of resilience which integrates safety into its core business practices and performances. The strategy underpins the objectives and targets of South Australia's Strategic Plan including: Improving Wellbeing, and Greater Safety at Work.

The Auditor-General's Department is committed to occupational health, safety and injury management, and support for both injury prevention (Zero Harm Vision) and injury management activities that provide the means for an injured employee to return to work.

The Auditor-General

The Auditor-General is accountable for the occupational health, safety and welfare (OHS&W) of the Department's employees, and is committed to providing a safety culture and the pursuit of the Zero Harm Vision by ensuring safe work practices are in operation.

The Department's OHS&W Committee is responsible for the development and documentation of an 'occupational health, safety and welfare injury management action plan' on an annual basis.

In preparing for the implementation of the Government Safety in the Public Sector Strategy 2007-2010, the OHS&W Committee is addressing implementation activities as part of the development of the OHS&W Injury Management Plan for 2007-08.

Workplace Safety Management 2004-2006

The requirements of the Workplace Safety Management Strategy 2004-2006 focused on the following key areas:

- Leadership and Accountability for Safety Performance;
- Safety Management Systems;
- Human Resource Management Standards and Resource Management to support safety performance.

Accountability for effective safety management resides with the Auditor-General. Through the Responsible Officer, (Director Policy, Planning and Research) and the Department's OHS&W Committee consultative mechanisms are in place and there is a clear line of reporting to the Auditor-General and the Department's Executive.

Both internal and independent external audit reviews of compliance with OHS&W legislative requirements, injury management action plans and OHS&W management systems are conducted on an annual basis, and recommendations are incorporated into future action plans.

A strategy for the reduction in injury claims is difficult given the Department's low incidence of claims. The Department's target for Workplace Safety Management in 2004-2006 is to maintain existing levels of performance and provide a workplace culture and expectation that if an employee is injured at, or arising from work, injury management activities will assist the employee to return to work at the earliest possible timeframe. This has been achieved.

Occupational Health, Safety and Injury Management

Employee Health and Wellbeing

Health programs are periodically held for the benefit of all staff. The programs focus on personal health management strategies to assist staff in coping with the demands of intensive work periods.

As part of its pro-active program to promote a healthier work environment for employees, a Flu Vaccination Program was arranged. 32 percent of staff took the opportunity to receive a cost free vaccination.

In addition, to assist staff with eye strain and care, and seating posture, an information session was provided to address these issues. An optometrist and a seating specialist facilitated the session. 12 percent of staff attended.

Occupational Health, Safety and Welfare Committee

The OHS&W Committee has been established to provide a consultative framework that will assist management to plan for effective OHS&W in the Department. The Committee role is also to establish and monitor policies and procedures and other strategies aimed at improving OHS&W management.

The Committee currently consists of 13 members with two management, 11 employee representatives and an OHS&W Coordinator.

The functions of the Committee are to:

- Facilitate cooperation between Managers/Supervisors and employees in initiating, developing, carrying out and monitoring measures designed to ensure the OHS&W of the employees.
- Assist in the formulation, review and dissemination to employees of the OHS&W practices, procedures and policies that are to be followed at any relevant work place.
- Consult with Managers/Supervisors and employees on any proposed changes to OHS&W practices, procedures or policies.
- Keep under review and make recommendations associated with:
 - accident statistics;
 - developments in the field of rehabilitation of employees who suffer work related injuries; and
 - the employment of employees who suffer from any form of disability.
- Assist in the:
 - return to work of employees who suffer work related injuries; and
 - employment of employees who suffer from any form of disability.
- Monitor processes and make recommendations that may improve the claims management process.
- Assist in the resolution of issues relating to OHS&W of employees at any relevant workplace.
- Undertake such other functions as are directed or agreed upon by management and the OHS&W Committee.

Committee members are responsible for the development of the annual OHS&W training program and undertake the delivery of a number of training sessions to the employees.

The OHS&W Policies and Procedures can be accessed on the Department's intranet by all employees. All policies and procedures are reviewed and updated on a progressive basis during the year.

Worksite Inspection

Inspection reporting for temporary and permanent worksites is integrated within the audit process. Computer workstation checklists relating to ergonomic, environmental and facilities assessments are completed annually.

Where matters are identified in computer workstation checklists, these are addressed internally or for more complex issues the assistance of an ergonomist or an occupational therapist is utilised.

Performance Review

External consultants were engaged to conduct:

- an OHS&W Management Systems and Legislative Compliance audit;
- specified OHS&W training sessions; and
- a review of the OHS&W and Injury Management Action Plan which incorporated Key Performance Indicators.

There were no significant matters reported within the OHS&W Management Systems audit or the Legislative Compliance audit.

The consultant remarked that the Department is to be commended on the demonstrated commitment to OHS&W and Injury Management.

OHS&W and Injury Management Plan

The OHS&W and Injury Management plan is designed to cover the following five key performance elements, to ensure compliance with the set of prescribed performance standards for self insurers.

1. Commitment and Policy
2. Planning
3. Implementation
4. Measurement and Evaluation
5. Management Systems Review and Improvement

Periodic reviews are scheduled and progress on the plan is monitored and updated on a quarterly basis. Reviews encompass the achievement of plan outcomes and provide the opportunity for the inclusion of any new items which have either been identified by the committee or have resulted from internal and independent external audit reviews of compliance with OHS&W legislative requirements and the audit of OHS&W management systems.

Targets for safety performance are recognised as an important part of integrated risk management, as they encourage and assist in the monitoring of continuous improvement in workplace health, injury prevention and injury management.

Given the Department's low incidence of workers compensation claims, lost time injuries and income maintenance payments, target percentages for a reduction in claims are not appropriate.

Objectives and targets will instead provide for:

- The provision of rehabilitation to assist employees to return to work at the earliest possible opportunity;
- The determination of claims as soon as it is practicably possible;
- A reduction in the requirement for income maintenance.

AVERAGE DAYS LEAVE PER FULL TIME EQUIVALENT EMPLOYEE

Leave Type Average FTE	Days per Employee			
	2003-04	2004-05	2005-06	2006-07
Sick Leave	6.6	7.8	5.84	7.66
Family Carer's Leave	0.17	0.26	0.40	0.57
Miscellaneous Special Leave	0.73	1.08	2.81	0.26

Workers Rehabilitation and Compensation

The premium paid for workers compensation insurance for 2006-07 was \$1 927 (\$251 in 2005-06).

OCCUPATIONAL HEALTH, SAFETY AND INJURY MANAGEMENT STATISTICS

	2006-07	2005-06	2004-05
1. OHS&W Legislative Requirements:			
Notifiable occurrences pursuant to OHS&W Regs. Div 6.6	Nil	Nil	Nil
Notifiable injuries pursuant to OHS&W Regs, Div 6.6	1	Nil	Nil
Notices served pursuant to OHS&W Act s35, s39, s40	Nil	Nil	Nil
2. Injury Management Legislative Requirements:			
Employees who participated in a rehabilitation program	1	Nil	Nil
Employees rehabilitated and reassigned to alternative duties	Nil	Nil	Nil
Employees rehabilitated back to original work	Nil	Nil	Nil
Open claims	1	Nil	Nil
Percentage of workers compensation expenditure over gross annual remuneration	Nil	Nil	Nil
3. Number of Claims			
New workers compensation claims for the reporting period	1	Nil	Nil
Fatalities, lost time injuries, medical treatment only	1	Nil	Nil
Whole working days lost	27	Nil	Nil
4. Cost of Workers Compensation:			
Cost of new claims for financial year	\$3 030	Nil	Nil
Cost of all claims excluding lump sum payments	\$3 030	Nil	Nil
Amount paid for lump sum payments on the settlement of a claim (under WRC Act)	Nil	Nil	Nil
Future liabilities for weekly payments/medical/loss of earnings (s42)	35 700	Nil	Nil
Permanent disability (s43)	Nil	Nil	Nil
Lump sum Payments on death to spouse/child(s44)	Nil	Nil	Nil
Amount paid for lump sum payments on the settlement of a claim (under WRC Act; s42, s43 s44)	Nil	Nil	Nil
Total amount recovered from external sources (WRC Act s54) including from a negligible third party	Nil	Nil	Nil
Budget for workers compensation (Insurance Premium)	\$2 000	\$2 000	\$3 000
5. Trends			
Lost time injury frequency per million hours worked	Nil	Nil	Nil
Most frequent cause of injury	None	None	None
Most expensive cause of Injury	Repetitive use of equipment	None	None
6. Meeting Strategic Targets			
Achievement of OHS&W action plan (Independent Audit Assessment)	Excellent	Excellent	Excellent

Commentary on Financial Report

FUNDING OF THE DEPARTMENT

Estimates of annual accrual expense and capital requirements are submitted through the Department of Treasury and Finance to Parliament. Parliament approves the budgeted appropriation of funds from the Consolidated Account.

Audit fee revenue is accounted for as an administered item and is paid into the Consolidated Account. The following table discloses the key financial performance indicators for the 2006-07 year on an accrual basis exclusive of goods and service tax.

FINANCIAL PERFORMANCE

Item	Budget \$'000	Actual \$'000	Variance \$'000
Auditing Services Net Cost of Services	10 779	11 009	230
Administered Revenue – Audit Fees	8 864	9 392	528

BUDGET PROGRAM DESCRIPTIONS

The sole program is the performance of auditing services covering all of the audit responsibilities prescribed under the Act. This program is segmented into two sub-programs.

Prescribed Audits

This sub-program covers the annual discharge of all the audit responsibilities where the Auditor-General is the prescribed auditor under the Act.

Special Investigations

This sub-program covers the conduct of work pursuant to the Act that is either:

- Special investigations requested by the Parliament or the Treasurer.
- Reviews of summaries of confidential government contracts requested by a Minister.

Consistent with the legislative requirement of audit independence, the reports arising from each sub-program are presented to the Parliament.

CONTRACTED AUDITS

A number of audits are contracted out to the private sector where audit resourcing or specialist audit skills are not available within the Department. The key criteria is to provide a professional audit in the most efficient and cost effective manner.

The Auditor-General is responsible for the contracted audits and senior audit staff review the plans prepared by the contracted auditor and exercise quality control over the work performed. The Auditor-General issues the independent auditor's report on the financial statements.

CONSULTANTS

Consultants are engaged to assist in the fulfillment of the Auditor-General's statutory audit mandate. Consultancy expenses during 2006-07, as itemised below, amounted to \$231 000 (\$191 000 in 2005-06).

Consultancies	Details	\$'000
Under \$10 000	3 Consultancies	7
\$10 000 - \$50 000:	8 Consultancies	158
K J Bockmann Consulting	Conduct of a quality review function of material included in the 2005-06 Annual Report of the Auditor-General to Parliament.	15
Henderson MS	Provision of Accounting Opinions	16
Australian Government Solicitor	Advice on matters for consideration and inclusion in the 2005-06 Annual Report of the Auditor-General to Parliament.	21
Plain English Foundation	Review, analysis, evaluation of Department report preparation and content, and report development program for all staff.	29
Piper Alderman	Legal costs associated with the Ex parte application – MacPherson v Pallaras – relating to the principle of availability of procedural fairness.	25
Australian Government Solicitor	Advice on matters associated with the audit of the Port Adelaide Maritime Corporation Audit.	13
Australian Government Solicitor	Advice on matters associated with Information Communication Technology contracts.	25
Australian Government Solicitor	Advice and assistance with the review and analysis of matters relating to the DPP, including matters covered in the November 2006 Supplementary Report of the Auditor-General to Parliament; procurement management; and procedural fairness principles.	14
Over \$50 000	1 Consultancy	66
Finalyson's Lawyers	Advice and assistance with the review and analysis of matters relating to the Director of Public Prosecutions (DPP) and the Office of the DPP. These matters included the role and function of the DPP; DPP statutory and administrative responsibilities; DPP independence and government policy compliance; matter of confidentiality; and procurement management.	66
Total Consultancies	12 Consultancies	231

Financial Report

AUDITOR-GENERAL'S DEPARTMENT

Income Statement for the year ended 30 June 2007

		2007	2006
		\$'000	\$'000
EXPENSES:			
Employee expenses	Note 3	8 425	7 982
Supplies and Services:	4		
Contractors		845	755
Accommodation and service costs		502	515
Other expenses		339	372
Consultancies		231	191
Computing and network processing costs		171	176
Staff development and training		159	124
Motor vehicle hire		134	124
Depreciation and amortisation		217	255
Total Expenses		11 023	10 494
INCOME:			
Interest		12	147
Net Gain on disposal of assets	5	-	5
Other income		2	3
Total Income		14	155
NET COST OF PROVIDING SERVICES		11 009	10 339
REVENUES FROM SA GOVERNMENT:			
Appropriations and contingency provision grant	6	11 012	10 551
NET RESULT		3	212
The Net Result is attributable to the SA Government as owner			

**Balance Sheet
as at 30 June 2007**

		2007	2006
		\$'000	\$'000
CURRENT ASSETS:	Note		
Cash and cash equivalents	7	3 113	2 652
Receivables	8	90	112
Total Current Assets		3 203	2 764
NON-CURRENT ASSETS:			
Computing and office facilities	9	181	288
Intangible assets	10	75	134
Total Non-Current Assets		256	422
Total Assets		3 459	3 186
CURRENT LIABILITIES:			
Payables	11	215	244
Cash advance - Imprest accounts		3	3
Employee benefits	12	895	812
Provision for workers compensation		22	3
Total Current Liabilities		1 135	1 062
NON-CURRENT LIABILITIES:			
Payables	11	191	175
Employee benefits	12	1 997	1 835
Provision for workers compensation		28	9
Total Non-Current Liabilities		2 216	2 019
Total Liabilities		3 351	3 081
NET ASSETS		108	105
EQUITY:			
Opening balance - Surplus (Deficit)		105	(107)
Increase in net assets		3	212
TOTAL EQUITY		108	105
The Total Equity is attributable to the SA Government as owner			
Commitments	13		

**Statement of Changes in Equity
for the year ended 30 June 2007**

	Retained Earnings	Total
	\$'000	\$'000
Balance at 30 June 2005	(107)	(107)
Net Income recognised directly in equity for 2005-06	212	212
Balance at 30 June 2006	105	105
Net Income recognised directly in equity for 2006-07	3	3
Balance at 30 June 2007	108	108
The Total Equity is attributable to the SA Government as owner		

**Cash Flow Statement
for the year ended 30 June 2007**

		2007	2006
		Inflows (Outflows)	Inflows (Outflows)
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:	Note		
CASH OUTFLOWS:			
Employee expenses		(8 132)	(7 672)
Supplies and services		(2 402)	(2 235)
GST on purchases		(233)	(241)
CASH INFLOWS:			
Interest		12	147
Other income		2	3
GST on receipts		1	3
GST refunds from Australian Taxation Office		235	242
CASH FLOWS FROM SA GOVERNMENT:			
Appropriations and contingency provision grant	6	11 012	10 551
Net Cash provided by Operating Activities	14	495	798
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of computing and office facilities		(51)	(303)
Disposal of computing and office facilities		17	-
Net Cash used in Investing Activities		(34)	(303)
NET INCREASE IN CASH HELD		461	495
CASH AT 1 JULY		2 652	2 157
CASH AT 30 JUNE	7, 14	3 113	2 652

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Objectives of the Department

The Department's main statutory responsibilities are to audit the public accounts and the accounts of public authorities and to report the results to Parliament in accordance with the requirements of the *Public Finance and Audit Act 1987* (the Act).

The Department's sole program is the provision of Auditing Services covering all the audit responsibilities prescribed under the Act. Within this program class there are two subprograms:

Prescribed Audits

Includes all audit work to be undertaken for agencies where the Auditor-General is the prescribed auditor and the Department must annually conduct the audit as prescribed by the Act. During the year the Department spent \$11 023 000 (\$10 451 000) on this subprogram.

Special Investigations

Includes all work defined in the Act that is specifically requested to be undertaken by the Auditor-General. The Auditor-General may be requested to undertake work associated with:

- conducting and reporting on Special Investigations when requested by the Parliament or Treasurer;
- reviewing summary documents of confidential government contracts and reporting on the adequacy of each document as a summary of the contents of the contract when requested to do so by a Minister.

These projects have specific Terms of Reference requested by the referring party and are treated as a separate subprogram. Consistent with the legislative requirement of audit independence the reports are presented directly to the Parliament. During the year the Department incurred no expenditure on this subprogram. In 2005-06 expenditure on the subprogram was \$43 000.

2. Statement of Significant Accounting Policies

2.1 Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards, Treasurer's Instructions and Accounting Policy Statements issued pursuant to the Act.

The accounts are presented on the accrual basis of accounting using historical cost accounting which does not take into account changing money values.

The financial report has been prepared based on a 12 month operating cycle and is presented in Australian currency.

2.1 Basis of Preparation (continued)*Statement of Compliance*

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards and AAS 29. Except for the amendments to AASB 101, which the Department has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Department for the reporting period ending 30 June 2007. The Department has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial report of the Department.

The Department's Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention.

The Cash Flow Statement has been prepared on a cash basis.

The preparation of the financial report requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Department's accounting policies. Areas involving a higher degree of judgement, or where assumption and estimates are significant to the financial statements are outlined in the applicable notes;
- compliance with accounting policy statements issued pursuant to section 41 of the Act, by authority of Treasurer's Instruction 19. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures in this financial report:
 - (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature.
 - (b) employees whose normal remuneration is \$100 000 or more and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly to those employees.

2.2 Reporting Entity

The Department produces both Departmental and Administered financial statements. The Departmental financial statements report on the use of assets, liabilities, income and expenses controlled or incurred by the Department. The Administered Items financial statements report on the income, expenses, assets and liabilities which the Department administers on behalf of the SA Government but does not control.

2.3 Comparative Information

The presentation and classification of items in the financial report are consistent with prior periods except where a specific Accounting Policy Statement or Australian Accounting Standard has required a change.

Where applicable the comparatives have been restated to assist users understanding of the current reporting period and do not replace the original financial report for the preceding period.

2.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2.5 Taxation

The Department is not subject to income tax. The Department is liable for payroll tax, fringe benefits tax and GST. Income, expenses and assets are recognised net of the amount of GST except that:

- the amount of GST incurred by the Department as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- receivables and payables are stated with the amount of GST included.

The net GST receivable/payable to the ATO has been recognised as a receivable in the Balance Sheet.

Cash flows are reported on a gross basis in the Cash Flow Statement. The GST component of the cash flows arising from investing or financing activities, which are recoverable from, or payable to, the ATO have however been classified as operating cash flows.

2.6 Income and Expenses

Income and expenses are recognised in the Income Statement only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Income and expenses have been classified according to their nature in accordance with Accounting Policy Framework II *General Purpose Financial Reporting Framework*, Accounting Policy Statement 3.5 and have not been offset unless required or permitted by another accounting standard.

In accordance with Accounting Policy Framework II *General Purpose Financial Reporting Framework*, Accounting Policy Statements 4.1 and 4.2, the Notes to the financial statements disclose income, expenses, financial assets and financial liabilities where the counterparty transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

2.6 Income and Expenses (continued)

Income from the disposal of non-current assets is recognised when control of the asset has passed to the buyer.

2.7 Revenues from Government

Parliament approved funding appropriations are received for the full accrual cost of services. The appropriation is paid into a Special Deposit Account titled 'Auditor-General's Department Operating Account'. Appropriations for accrued expense are deposited in a Special Deposit Account in the name of the Auditor-General's Department at the Department of Treasury and Finance titled 'Accrual Appropriation Excess Funds'. Use of the funds requires the approval of the Treasurer. Pursuant to Treasurer's Instruction 3, paragraph 3.8, this money is deemed to be controlled by the public authority in the name of which the money is recorded.

Administered items are funded by Parliamentary appropriations on a cash basis.

2.8 Current and Non-Current Classification

Assets and liabilities are characterised as either current or non-current in nature.

The Department has a clearly identifiable operating cycle of 12 months. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current. All other assets and liabilities are classified as non-current.

2.9 Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and deposits held at call.

2.10 Receivables

Trade receivables arise in the normal course of audit services to other agencies. Trade receivables are payable within 14 days after the issue of an invoice.

2.11 Inventories

Consumable supplies are not recognised in the Balance Sheet as the value of these supplies is not considered to be material.

2.12 Non Current Asset Acquisition and Recognition

Assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition less accumulated depreciation.

All non-current physical assets with a value greater than \$2 000 are capitalised in accordance with Accounting Policy Framework III *Asset Accounting Framework*, Accounting Policy Statements 2.15 and 2.16.

All assets useful lives have been set at three years.

2.13 Revaluation of Non-Current Assets

All non-current assets, having a limited useful life, are systematically depreciated over three years, hence revaluations are not conducted for non-current assets.

2.14 Depreciation/Amortisation of Non-Current Assets

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. The useful lives of all major assets are reassessed on an annual basis.

Depreciation/amortisation for non-current assets is determined as follows:

Class of Assets	Method	Useful Life Years
Computing and office equipment	Straight Line	3
Leasehold improvements	Straight Line	3
Computer software	Straight Line	3

2.15 Intangible Assets

The acquisition of software is capitalised when the expenditure meets the definition criteria of an intangible asset and when expenditure is greater than or equal to \$2 000 in accordance with Accounting Policy Framework III *Asset Accounting Framework*, Accounting Policy Statements 2.15 and 2.16.

Capitalised software is amortised over the useful life of the asset, with a maximum time limit for amortisation of three years. Intangible assets are measured at cost.

2.16 Payables

Payables include creditors, accrued expenses and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to, that are unpaid, at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal 12 month operating cycle.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

2.16 Payables (continued)

All amounts are measured at their nominal amount and are normally settled within 30 days after receipt of an invoice.

Employment on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries, long service leave and annual leave. Contributions are paid to several superannuation schemes operated by the SA Government and are treated as an expense when they occur. The liability for payments to beneficiaries is assumed by the South Australian Superannuation Board (SASB). The liability outstanding at the reporting date is for any contributions due but not yet paid to the SASB.

2.17 Employee Benefits

Provision has been made for employee benefits liabilities arising from services rendered by employees to balance date in accordance with AASB 119. Employee benefits comprise salaries, annual leave and long service leave.

Salaries

Liabilities for salaries are recognised, and are measured as the amount unpaid at current pay rates in respect of employee service periods up to the reporting date.

Annual Leave

Liabilities for annual leave expected to be paid within 12 months are recognised, and are measured as the amount unpaid at the pay rate at which the liability is expected to be settled in respect of employee service periods up to the reporting date.

Sick Leave

No liability is recognised, as sick leave taken by employees is considered to be taken from the current year's accrual.

Long Service Leave

Long service leave is recognised on a pro-rata basis for the employee service periods up to the reporting date. The Department of Treasury and Finance has advised that a benchmark of 6.5 years service (previously 7 years) can be used for a shorthand estimation of long service leave liability in accordance with the provisions of AASB 119. This advice has been adopted and the long service leave liability as at 30 June 2007 has been calculated at nominal amounts based on current salary rates for employees with 6.5 or more years service.

The long service leave to be taken in the 12 months to 30 June 2008 has been estimated by adding the estimated termination payments in this period to the estimated long service leave to be taken by ongoing employees in the 12 months (based on previous years' experience). The basis of calculation is similar to that used in previous years.

Superannuation

The liability for superannuation is included in payables.

2.18 Provisions

The workers compensation provision is an actuarial estimate of the outstanding liability at 30 June 2007 provided by a consulting actuary engaged through the Public Sector Workforce Wellbeing group within the Public Sector Workforce Division of the Department of the Premier and Cabinet. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. In addition, the Department has also recognised a further provision following determination and acceptance of a claim in June 2007. Measurement of the additional provision is based on management's best estimate of the present value of the expenditure required to settle the present obligation.

The Department is responsible for the payment of workers compensation claims.

2.19 Leases

The Department has entered into two operating leases. The two leases are for office accommodation and motor vehicles.

Operating Leases

Under the operating leases, the lessor effectively retains the entire risks and benefits incidental to ownership of the leased items.

Operating lease payments are charged to the Income Statement which is representative of the benefits derived from the leased assets.

3. Employee Expenses	2007	2006
Employee benefits:	\$'000	\$'000
Salaries	6 220	5 891
Annual leave	605	542
Long service leave	277	309
Total Employee Benefits	7 102	6 742
Employee on-costs:		
Superannuation	817	792
Payroll tax	463	444
Total Employee On-costs	1 280	1 236
Workers compensation	43	4
Total Employee Expenses	8 425	7 982

4. Supplies and Services		
Supplies and Services provided by entities within SA Government:		
Accommodation and service costs	491	497
Other expenses	51	55
Staff development and training	4	1
Motor vehicle hire	100	96
Total Supplies and Services - SA Government Entities	646	649
Supplies and Services provided by entities external to the SA Government:		
Contractors	845	755
Accommodation and service costs	11	18
Other expenses	288	317
Consultancies	231	191
Computing and network processing costs	171	176
Staff development and training	155	123
Motor vehicle hire	34	28
Total Supplies and Services - Non-SA Government Entities	1 735	1 608
Total Supplies and Services	2 381	2 257
5. Net Gain on Disposal of Assets		
Historic cost of assets disposed	12	157
Less: Accumulated depreciation	12	145
	-	12
Proceeds on disposal	-	17
Total Gain on Disposal of Assets	-	5
6. Funding of the Department		
Appropriations to the Department in 2006-07 amounted to \$10 915 000 (\$10 407 000) and there was a contingency provision grant of \$97 000 (\$144 000).		
Appropriations under Special Acts are reported under Administered Items.		
7. Cash and Cash Equivalents		
Deposits with the Treasurer	3 110	2 649
Imprest Account and cash on hand	3	3
	3 113	2 652
8. Receivables		
Current		
Receivables	-	20
Net GST Receivable	90	92
Total Current Receivable *	90	112

* All current receivable amounts are with non-SA Government entities.

Interest Rate and Credit Risk

Receivables are raised for all goods and services for which payment has not been received.

Receivables are normally settled within 30 days. Trade receivables and prepayments are non-interest bearing and it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. In addition, there is no concentration of credit risk.

9. Computing and Office Facilities						
9.1 Classes of Computing and Office Facilities					2007	2006
					\$'000	\$'000
Equipment - At cost					806	762
Accumulated depreciation					(625)	(477)
					181	285
Leasehold improvements - At cost					150	150
Accumulated depreciation					(150)	(147)
					-	3
					181	288
9.2 Reconciliation of Carrying Amount						
	Carrying Amount					Carrying Amount
	01.07.06	Additions	Disposals	Depreciation		30.06.07
	\$'000	\$'000	\$'000	\$'000		\$'000
Equipment	285	44	-	148		181
Leasehold improvements	3	-	-	3		-
Total Computer and Office Facilities	288	44	-	151		181
10. Intangible Assets					2007	2006
10.1 Classes of Intangible Assets					\$'000	\$'000
Computer software - At cost					507	512
Accumulated amortisation					(432)	(378)
					75	134
10.2 Reconciliation of Carrying Amount						
	Carrying Amount					Carrying Amount
	01.07.06	Additions	Disposals	Amortisation		30.06.07
	\$'000	\$'000	\$'000	\$'000		\$'000
Computer software	134	7	-	66		75
Total Intangible Assets	134	7	-	66		75

11. Payables		2007	2006
	Current	\$'000	\$'000
	Employee on-costs	182	188
	Creditors	31	28
	Accrued expenses	2	28
	Total Current	215	244
	Non-Current:		
	Employee on-costs	191	175
	Total Non-Current	191	175
	Total Payables	406	419
	Payables to entities within the SA Government	219	189
	Payables to entities external to the SA Government	187	230
	Total Payables	406	419

Interest Rate and Credit Risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand.

12. Employee Benefits		2007	2006
	Current:	\$'000	\$'000
	Salaries	129	120
	Annual leave provision	592	532
	Long service leave provision	174	160
	Total Current	895	812
	Non-Current:		
	Long service leave provision	1 997	1 835
	Total Non-Current	1 997	1 835
	Total Employee Benefits	2 892	2 647

13. Commitments

Operating Lease Commitments

The Department's operating leases are for the leasing of office accommodation and motor vehicles.

Office Accommodation

Office accommodation is leased from the Building Management division of the Department for Transport, Energy and Infrastructure. The lease expires on 30 June 2010. The rental amount is based on floor space, with the rental rate reviewable by Building Management every two years.

Motor Vehicles

Motor vehicles are leased from the Fleet SA business unit of the Department of Treasury and Finance. The vehicles are leased for a specified time period or a specified number of kilometres, whichever occurs first. The lease rate is determined according to the type of vehicle being leased and the number of months of the lease period. The lease rates are reviewed annually by Fleet SA.

		2007	2006
	At the reporting date the Department had the following obligations under non- cancellable operating leases (these obligations have not been recognised as liabilities):	\$'000	\$'000
	Not later than one year	514	509
	Later than one year and not later than five years	946	1 357
	Total Operating Lease Commitments	1 460	1 866

Remuneration Commitments

At the reporting date the Department had commitments for the payment of salaries and other remuneration under fixed-term employment contracts (these obligations have not been recognised as liabilities):

		2007	2006
	Not later than one year	844	724
	Later than one year and not later than five years	2 248	181
	Total Remuneration Commitments	3 092	905

Amounts disclosed include commitments arising from executive contracts under fixed term employment. The Department does not offer fixed term employment contracts to executives for periods greater than five years.

14. Cash Flow Reconciliations		2007	2006
	14.1 Reconciliation of Cash	\$'000	\$'000
	Cash at 30 June per:		
	Balance Sheet	3 113	2 652
	Cash Flow Statement	3 113	2 652

14.2 Reconciliation of Net Cost of providing Services to Net Cash provided by Operating Activities	2007	2006
	\$'000	\$'000
Net cost of providing services	(11 009)	(10 339)
Cash flows from government	11 012	10 551
Depreciation	217	255
Decrease in receivables*	5	1
Increase in employee benefits	245	296
Increase in provision for workers compensation	38	4
(Decrease) Increase in payables	(13)	35
(Gain) on disposal of assets	-	(5)
Net Cash provided by Operating Activities	495	798

* Movement in receivable excludes a capital receivable of \$17 000 in 2005-06.

15. Remuneration of Employees	2007	2007	2006	2006
The number of employees whose remuneration received or receivable exceeded \$100 000 for this period are grouped within the following bands:	Number of Executives*	Number of Employees	Number of Executives*	Number of Employees
\$100 000 - \$109 999	-	3	-	3
\$140 000 - \$149 999	2	-	4	-
\$150 000 - \$159 999	1	-	1	-
\$160 000 - \$169 999	2	-	1	-
\$210 000 - \$219 999	1	-	-	-
\$310 000 - \$319 999	-	-	1	-
\$560 000 - \$569 999 **	1	-	-	-
Total Number of Executives/Employees	7	3	7	3

* Based on the Department's executive organisation structure.

** This amount includes the leave entitlement payments made to the Auditor-General on termination of service. The Auditor-General's normal remuneration exceeded \$100 000.

Total remuneration received or receivable by Departmental executives was \$1 556 000 (\$1 207 000). Total remuneration received or receivable by the non-executive employees listed above was \$318 000 (\$308 000).

The employee remuneration figures detailed above include employee remuneration recorded in both the Department's Financial Statements and in the Administered Items Financial Statements of the Department.

The employee remuneration for Administered Items in 2006-07 includes the salary of the Auditor-General and in the period subsequent to the Auditor-General's retirement the salary of the acting Auditor-General.

16. Remuneration of Auditor	2007	2006
	\$'000	\$'000
Remuneration for audit of financial reports	7	7
Remuneration for other services	-	-
	7	7

17. Financial Risk Management

The Department has non-interest bearing assets (Deposits with the Treasurer, cash on hand and receivables) and liabilities (payables) and interest bearing assets (Imprest Account). The Department ceased receiving interest on the:

- Operating Account as at 31 August 2006; and
- Accrual Appropriation Excess Funds Account as at 30 June 2006.

The Department's exposure to market risk and cash flow interest risk is minimal. The weighted average interest rate for interest bearing accounts was:

	2007	2006
	Percent	Percent
Imprest Account	6.01	5.41
Operating Account	5.68*	5.37
Accrual Appropriation Excess Funds Account	-	5.71

* Represents the interest rate on the Operating Account for the three months ended 31 August 2006.

In relation to liquidity/funding risk, the continued existence of the Department in its present form is subject to Government policy and on continuing appropriations by Parliament for the Department's administration and programs.

**Statement of Administered Expenses and Income
for the year ended 30 June 2007**

		2007	2006
		\$'000	\$'000
ADMINISTERED EXPENSES:	Note		
Employee expenses		239	248
Amounts paid/payable to consolidated account		9 392	8 955
GST paid/payable	A3	-	176
Total Administered Expenses		9 631	9 379
ADMINISTERED INCOME:			
Fees for audit services		9 392	8 778
GST received/receivable on audit fees	A3	-	176
Appropriation - Special Acts	A2.2, A5	563	234
Appropriation - GST	A3, A5	-	460
Total Administered Income		9 955	9 648
NET OPERATING SURPLUS	A6.2	324	269

The Operating Surplus is attributable to the SA Government as owner

**Statement of Administered Assets and Liabilities
as at 30 June 2007**

		2007	2006
		\$'000	\$'000
ADMINISTERED ASSETS:			
CURRENT ASSETS:	Note		
Cash and cash equivalents	A6.1	924	318
Receivables	A2.1	425	380
Total Assets		1 349	698
ADMINISTERED LIABILITIES:			
CURRENT LIABILITIES:			
Employee benefits	A4	5	329
Amounts payable to consolidated account		929	346
Goods and Services Tax payable		220	152
Total Current Liabilities		1 154	827
Total Liabilities		1 154	827
NET ADMINISTERED ASSETS		195	(129)
ADMINISTERED EQUITY:			
Opening balance - Deficit		(129)	(398)
Increase in net assets		324	269
TOTAL ADMINISTERED EQUITY		195	(129)

The Total Administered Equity is attributable to the SA Government as owner

**Statement of Changes in Administered Equity
for the year ended 30 June 2007**

	Retained Earnings	Total
	\$'000	\$'000
Balance at 30 June 2005	(398)	(398)
Net Income recognised directly in equity for 2005-06	269	269
Balance at 30 June 2006	(129)	(129)
Net Income recognised directly in equity for 2006-07	324	324
Balance at 30 June 2007	195	195

The Total Administered Equity is attributable to the SA Government as owner

**Statement of Administered Cash Flows
for the year ended 30 June 2007**

		2007	2006
		Inflows (Outflows)	Inflows (Outflows)
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:	Note		
CASH OUTFLOWS:			
Employee expenses		(563)	(234)
Amounts paid to consolidated account		(8 809)	(9 085)
GST paid to Australian Taxation Office		(871)	(809)
CASH INFLOWS:			
Fees for audit services	A2.1	10 286	9 752
CASH FLOWS FROM SA GOVERNMENT:			
Appropriations	A5	563	694
Net Cash provided by Operating Activities	A6.2	606	318
NET INCREASE IN CASH HELD		606	318
CASH AT 1 JULY		318	-
CASH AT 30 JUNE	A6.1	924	318

NOTES TO AND FORMING PART OF THE ADMINISTERED FINANCIAL STATEMENTS

A1. Statement of Significant Accounting Policies

All Auditor-General's Department accounting policies are contained in Note 2 'Statement of Significant Accounting Policies'. The policies outlined in Note 2 apply to both the Department and the Administered Financial Statements with the exception of the treatment of GST raised on audit fees and subsequently paid to the Australian Taxation Office (ATO) for the period 1 July 2005 to 31 December 2005. For prior periods and for the period 1 July 2005 to 31 December 2005 the GST raised and collected on all audit fees was recognised as revenue and the corresponding payment to the ATO was recognised as an expense. This situation ceased during 2005-06 and this change is detailed in Note A3.

A2. Administered Items

A2.1 Auditing Fees

Section 39 of the Act provides for the levying of fees for audit services provided by the Department that are paid into the Consolidated Account.

Fees outstanding at 1 July	380	476
Billings (including GST)	10 331	9 656
	10 711	10 132
Receipts (including Goods GST)	10 286	9 752
Fees outstanding at 30 June	425	380

At 30 June, the value of audit work in progress was \$5 131 000 (\$5 190 000). The Department is of the opinion that this amount is recoverable.

A2.2 Special Acts

Subsection 24(4) of the Act, provides that the salary and allowances of the Auditor-General will be determined by the Remuneration Tribunal and will be paid from the Consolidated Account.

A3. Change in GST Arrangements During 2005-06

During 2005-06 the Department changed its treatment of GST received on audit fees. Until 31 December 2005 all GST collected on audit fees raised was paid to the Consolidated Account. When payment of the GST collected was required to be made to the ATO the Department received a specific appropriation for this payment. As an appropriation was received a corresponding expense was recognised for the payment made. The GST received from clients was also recognised as revenue. With the agreement of the Department of Treasury and Finance as at 31 December 2005 all GST yet to be collected from clients and all subsequent GST received as a result of audit fee raisings has been retained by the Department for payment of GST to the ATO. The Department therefore received no appropriations for its GST payments subsequent to the appropriation it received for the December 2005 Quarterly Business Activity Statement, with the exception of a \$200 000 appropriation 'float'. The appropriation float was received to ensure that the Department always had enough funds to make its quarterly GST payment to the ATO. From 1 January 2006 as GST collected on audit fees was no longer paid to the Consolidated Account and no corresponding appropriation was received, the GST expense and GST revenue were no longer recognised.

A4. Employee Benefits

Current:	2007	2006
	\$'000	\$'000
Salaries	5	5
Annual leave provision	-	125
Long service leave provision	-	199
Total Current	5	329
Total Employee Benefits	5	329

A5. Funding of the Administered Items	A summary of administered items appropriations for the year is set out below.	2007 \$'000	2006 \$'000
Appropriations:			
Special Acts		563	234
GST		-	460
		563	694
A6. Notes to the Administered Statement of Cash Flows			
A6.1 Reconciliation of Cash			
Cash at year end per:			
Balance Sheet		924	318
Cash Flow Statement		924	318
A6.2 Reconciliation of Net Operating Surplus to Net Cash provided by Operating Activities			
Net surplus		324	269
(Increase) Decrease in receivables		(45)	96
(Decrease) Increase in employee benefits		(324)	14
Increase (Decrease) in amounts payable to the Consolidated Account		583	(130)
Increase (Decrease) in GST payable		68	69
Net Cash provided by Operating Activities		606	318

A7. Specific Disclosure
The following discloses revenues, expenses, assets and liabilities where the counter party/transaction is with an entity within the SA Government or a non-SA Government entity as at the reporting date.

	SA Government		Non-SA Government	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Revenues excluding appropriations	8 430	8 429	962	525
Expenses	9 392	8 955	239	424
Financial assets	1 349	672	-	26
Financial liabilities	929	346	220	152

Certification of the Financial Report

We certify that:

- the attached general purpose financial report for the Auditor-General's Department presents fairly, in accordance with the Treasurer's instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Auditor-General's Department as at 30 June 2007, the results of its operation and its cash flows for the year then ended;
- the attached financial statements are in accordance with the accounts and records of the department and give an accurate indication of the financial transactions of the department for the year then ended; and
- internal controls over the financial reporting have been effective throughout the reporting period.



S O'Neill
ACTING AUDITOR-GENERAL



M Stint
MANAGER, FINANCE

Independent Audit Report

AUDITOR-GENERAL'S DEPARTMENT

INDEPENDENT AUDIT REPORT TO THE TREASURER OF THE SOUTH
AUSTRALIAN GOVERNMENT

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of the Auditor-General's Department ("the Department"), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement, statement of administered expenses and income, statement of administered assets and liabilities, statement of changes in administered equity, statement of administered cash flows, certification of the financial report for the year then ended, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Auditor-General and Manager, Finance, for the Financial Report

The Auditor-General and the Manager, Finance, of the Department are responsible for the preparation and fair presentation of the financial report in accordance with Section 35 of the Public Finance and Audit Act 1987. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

AUDIT OPINION

In our opinion:

The financial report of the Auditor-General's Department is in accordance with the Public Finance and Audit Act 1987 and the Treasurer's Instructions promulgated under the Act including:

- (a) presenting fairly, in all material respects, the financial position of the Department as at 30 June 2007, and its financial performance for the financial year ended on that date
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Public Finance and Audit Act 1987 and the Treasurer's Instructions promulgated under the Act.

Edwards Marshall
Edwards Marshall
Chartered Accountants

Jamie Dreckow
Jamie Dreckow
(Partner)

Adelaide, South Australia Dated 22/8/07



EdwardsMarshall

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Steven M Wild FCA
Noel W Clifford FCA
Jamie T Dreckow CA
Geoffrey R Kay FCA
Benjamin L T Miels FCA
Angelo R Piantadosi FCA
Grantley W Stevens FCA

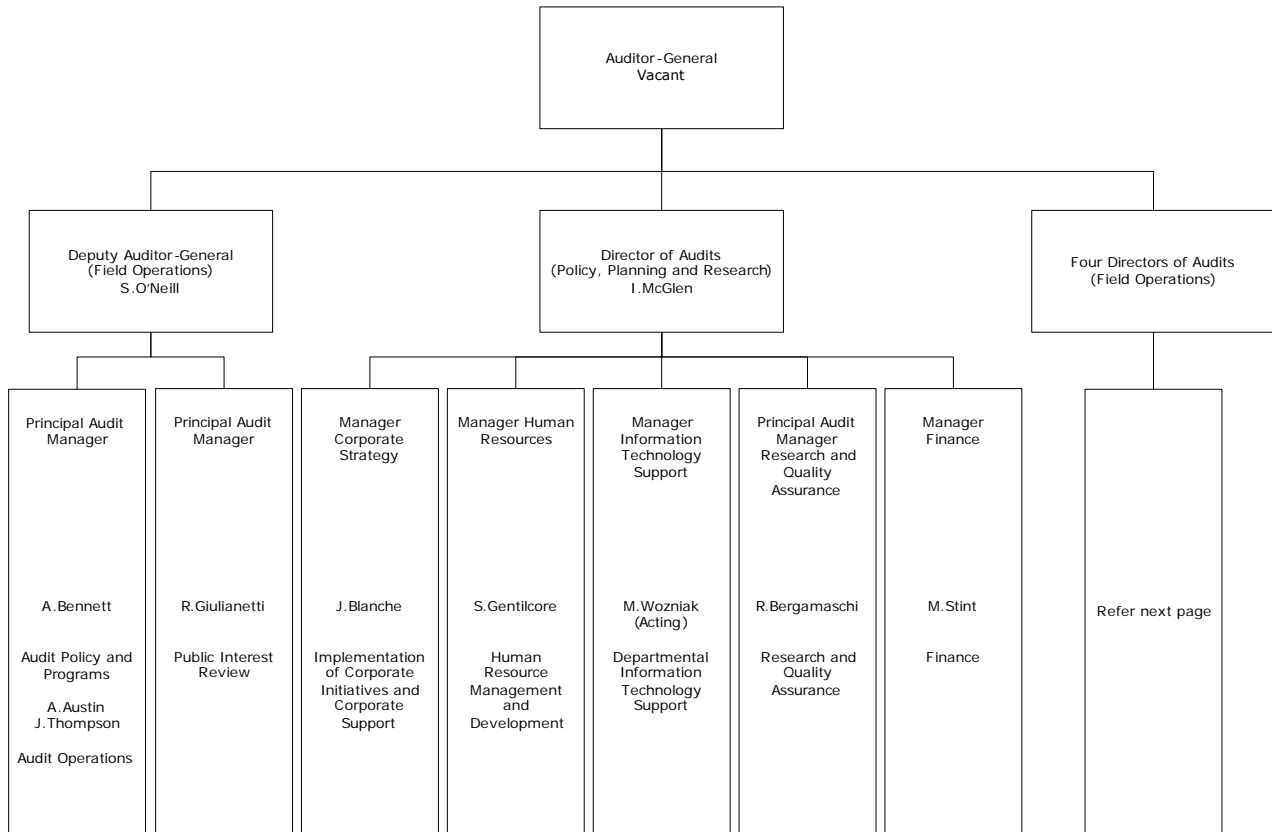
Senior Employees

Kym Davis CA
Paul A Dutton CA
Belinda C Goedecke FCA
Karen R Gregor CA
Leanne Thomas CA
Carly Thornton CA
Martin D White CA
Nicholas K Wilkins FCA

Appendices

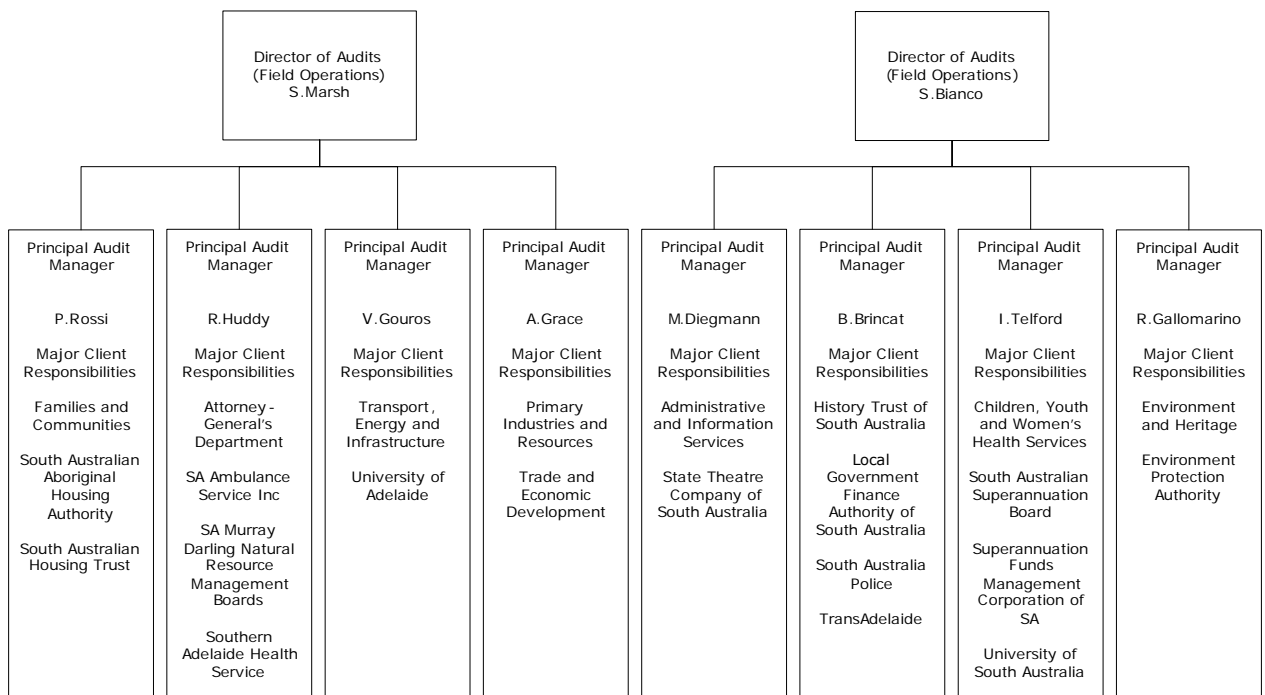
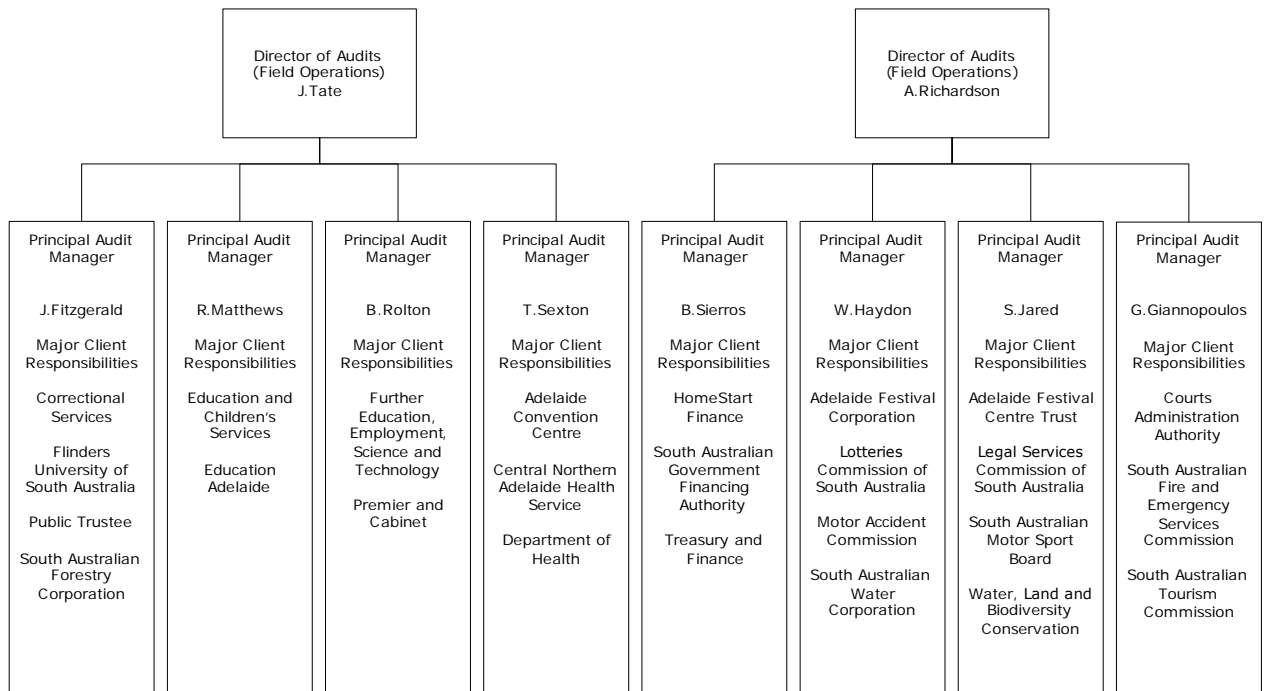
APPENDIX A

DEPARTMENT ORGANISATION CHART as at 30 June 2007



DEPARTMENT ORGANISATION CHART

as at 30 June 2007



APPENDIX B

PROFESSIONAL DEVELOPMENT COURSES ATTENDED 2006-07

COURSE TITLE	TRAINING HOURS
Accounting Standards Update	249
ACL Training	296
AGES Methodology Training	312
AIFRS – Emerging Issues (Video)	45
AS2 Document Manager and Folio Views	24
Behavioural Interviewing	83
Expenditure Business Cycle Training	48
Fixed Assets Business Cycle Training	51
Revenue Business Cycle Training	60
Payroll Business Cycle Training	51
Contact Officer Training	119
Corroborative Enquiry	105
Document Manager	224
Ergonomics and Manual Handling	129
Ethics and Public Sector Responsibilities	80
Eye Strain and Care, and Seating Posture Information Session	21
Graduate Development Module 1	80
Graduate Development Module 2	72
Graduate Development Module 3	68
Graduate Development Module 4	48
Graduate Induction Program	125
iGRAFX (Self taught module)	18
Graduate Induction Follow-Up	40
Ins and Outs of Recruitment and Selection	60
Introduction to Performance Review and Development	43
Leadership Development – ASO4	278
Leadership Development – ASO5	72
OHS&W Committee Training	12
OHS&W Forms and Checklist Training	38
OHS&W Staff Information Session	75
Trial Balance (Self taught module)	28
Writing to Account (Plain English)	570
Total	3 524

APPENDIX C

EXTERNAL TRAINING COURSES ATTENDED 2006-07

COURSE TITLE	TRAINING HOURS
2007 Auditor's Briefing	8
34th Annual ISACA Conference	22
An Introduction to Web Marketing	6
Australian Standard AS3806-2006: Compliance Programs	4
CPA Congress	136
Discover IT Service Management Your Way	3
Fire Safety/Warden Training	30
From Adelaide to the World	3
Government Accounting Information Forum	12
Government Taxation Information Forum	47
Introducing CHRIS21 to New End Users	4
Introducing the CHRIS21 Payroll	8
Making the Future Work	2
New Auditing Standards Briefing	14
New Challenges in Workforce Development	5
Presentation by Dr Jim Womack on Lean in Service Industries	4
Professional Management Program	255
Shared Services: Making It Work	4
Succeed at Succession Planning	2
Taxation Refresher Session	11
The Leadership Journey	8
Time Management	12
Toxic Behaviour, Toxic Situations...The Role of HR.	4
Total	604

APPENDIX D

STAFF LIST AS AT JUNE 2007

EMPLOYEE		QUALIFICATIONS	MEMBERSHIP OF PROFESSIONAL BODIES
Abbott	D M	BSc (Math & CompSc)	ASA
Atkins	A	BComm (Acc)	
Atterton	S	BComm (Acc)	
Austin	A	AssocDip Comp Stud, Cert in Softw QA & Mgt	
Balendra	R	BComm (Acc)	
Bennett	A F	DipAcc	CPA, MACS
Bergamaschi	R C	B Ec, GradDip (Acc), Cert IV Assessment Workplace Training	CPA
Bianco	S	BArts (Acc)	CPA
Blanche	J	BEc (Acc)	CPA
Blowes	L	BAcc, BIntBus	
Borgman	B J	BAcc, BBus (MIS)	ASA
Boyle	C V	Cert First Line Mgt, Cert Bus Proc, DipGov (Mgt)	
Brent	W	Cert Off Sk, Cert Comp/Off Sk, Cert Adv Com Sk, Cert Gam Lic	
Brincat	B P	BArts (Acc)	CPA
Burton	T M	BBus (Acc)	
Cameron	N C	BComm (Acc), BArts (Chinese)	
Chan	D	BComm, BBus (Mgt Info Sys)	ASA
Cheung	A	BComm (Mark), MBus (Acc)	ASA
Chou	K	MBusAdmin (Acc)	ASA
Churches	S L	BEc (Acc)	CPA
Ciplys	A	AdvDip Acc , BComm (Acc)	
Cvetanovic	L	BAcc	
De Guglielmo	L	BComm (Acc)	ASA
Deegan	P A		
Diegmann	M	BArts (Acc)	CPA
Eustace	L C	BComm, Cert IV Assessment Workplace Training	CPA

STAFF LIST AS AT JUNE 2007

EMPLOYEE		QUALIFICATIONS	MEMBERSHIP OF PROFESSIONAL BODIES
Field	J E	BComm (Acc), BTourism	
Fitzgerald	J	BAcc	CPA
Fitzpatrick	J		
Fogal	A	BComm (Acc)	CPA
Foo	S-Y	BComm (Corp Fin & Acc), BComm (Hon) (Fin)	ASA
Furze	K A	DipSec	
Gallomarinio	R	BEc (Acc)	CPA
Gardiner	A	BArts, Dip Teach, MEd (HR Studies)	
Gentilcore	S	BBus, HRD	AHRI
Giannopoulos	G	BArts (Acc)	CPA
Giulianetti	R	BEc (Acc)	FCPA
Gladigau	S M	BComm	
Gouros	V	BEc, DipAcc	CPA
Grace	A J	BComm	
Haydon	W M	BEc (Acc)	CPA
Hossain	F		
Huddy	R W	BBusProp (Val), BBus (Acc)	CPA
Isabel	M	BComm (Acc)	
Jared	S P	BArts (Acc)	CPA
Kelly	C L	BArts (Acc)	ASA
Kennedy	A M	BBus (Acc)	CPA
Kennedy	T	BComm (Acc)	
King	R	Cert Arts	
Kloot	G	BComm, BIT, DipBus (Bank and Fin)	ASA, Uni SA Alumni, Flinders Uni Alumni, Gold Key Association
Koh	E	BComm (Acc)	
Kolecki	C	Cert Off Sk, Cert Off Proc, Cert Clerical Proc (Gen Off)	
Larkin	L		
Leach	J	BComm (Acc & Fin)	ASA

STAFF LIST AS AT JUNE 2007

EMPLOYEE		QUALIFICATIONS	MEMBERSHIP OF PROFESSIONAL BODIES
Leckie	J	BBus (Acc)	CPA
Loizi	S		
Marsh	S W	BEc, DipAcc	CPA
Matthews	R J	BArts (Acc)	CPA
Mazel	A	BComm (Acc), GradDip (ICAA)	CA
McGlen	I C	BArts (Acc)	CPA
Migliore	F	BArts (Acc)	CPA
Noujaim	M	BComm (Acc), BBus (Admin Mgt)	
Nugent	S M	BEc (Acc), DipGov (Mgt)	CPA
O'Donohue	D	BComm	CPA
O'Neill	S	BArts (Acc)	CPA
Olds	M	BComm	
Olman	V	BComm (Acc), BMgt (Mktg)	
Oon	L Z	B Comm (Acc)	ASA
Oylan	L	BComm (Acc), BComm (Hons)	
Parsons	S	BComm (Acc & Fin)	ASA
Pearce	R	IntBus, BComm	
Poulos	G	BBus (Acc)	
Rantanen	H	BComm (Acc)	ASA
Reed	K	BComm (Acc)	ASA
Reszityk	I M	BArts (Acc)	CPA
Richardson	A J	BEc (Acc)	CPA
Richardson	L C	BComm	CPA
Roberts	J	BComm (Acc)	
Roberts	S	BComm (Acc & Fin)	
Rolton	B W	DipAcc	CPA
Romeo	C	BComm (Acc)	CPA
Rossi	P A	BArts (Acc)	CPA
Scaife	G L	BComm	ASA
Sebastiani	A	BComm (Acc)	CPA

STAFF LIST AS AT JUNE 2007

EMPLOYEE		QUALIFICATIONS	MEMBERSHIP OF PROFESSIONAL BODIES
Sexton	T	BArts (Acc)	CPA
Sierros	B	BEc, DipAcc	CPA
Sorell	M	BComm (Acc)	CPA
Spirat	A	BComm, BappFin	ASA
Srdic	S	BComm, AdvDipAcc	
Stint	M J	AdvDipAcc, Cert Bus Prac, Cert First Line Mgt	ANIA
Summers	S C		
Symons	T	BComm	
Tanner	N	BBus (Com Law)	
Tate	W J	BArts (Acc)	CPA
Telford	I	BArts (Acc)	CPA
Terrington	K	BComm, Cert IV Assessment Workplace Training	
Tham	T S	BComm (Acc)	
Thompson	G P	BComm (Acc)	CPA
Thompson	J D	BArts, GradDipSysAnal, MProfAcc	
Tilbrook	M J	Cert Admin	
Tran	L	BComm (Acc), BFin (Int)	ASA
Tran	T-T	BComm (Acc), BBus (Com Law)	
Tytula	E		
Vasilikiotis	S	BComm (Acc)	ASA
Wagley	A	BComm	ASA
Walter	C	BComm (Acc & Fin)	
Weaver	M	BComm (Acc), Cert IV Bus. Frontline Management	
Westlake	S	BComm (Acc)	CPA
Wilson	A	BComm (Acc), Dip IT, Certified I.Sys. Auditor	ASA
Wozniak	M M	CertVocEd (IT), Cert Microcomp Sup	
Yang	Xu	MComm	
Zhao	C	BComm (Acc)	
Zimmermann	M	BArts, BAcc	

APPENDIX E

**AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT
AS AT 30 JUNE 2007**

2007 World Police and Fire Games Corporation
 Aboriginal Lands Trust
 Adelaide and Mount Lofty Ranges Natural Resources Management Board
 Adelaide Cemeteries Authority
 Adelaide Convention Centre Corporation
 Adelaide Dolphin Sanctuary Fund
 Adelaide Entertainments Corporation
 Adelaide Festival Centre Trust
 Adelaide Festival Corporation
 Adelaide Film Festival
 Adelaide Hills Wine Industry Fund
 Administrative and Information Services - Department for
 Agents Indemnity Fund
 Alinytjara Wilurara Natural Resources Management Board
 ANZAC Day Commemoration Fund
 Art Gallery Board
 Attorney-General's Department
 Austraining International Pty Ltd
 Australian Childrens Performing Arts Company
 Australian Energy Market Commission
 Bio Innovation SA
 Board of the Botanic Gardens and State Herbarium
 Carrick Hill Trust
 Carwell Pty Ltd
 Central Northern Adelaide Health Service
 Children, Youth and Women's Health Service
 Citrus Growers Fund
 Coast Protection Board
 Commissioners of Charitable Funds
 Commonwealth State Housing Agreement
 Construction Industry Training Board
 Correctional Services - Department for
 Country Health SA Inc
 Courts Administration Authority
 Dairy Authority of South Australia
 Distribution Lessor Corporation
 Dog and Cat Management Board
 Dog Fence Board
 Education Adelaide
 Education and Children's Services - Department of
 Electricity Industry Superannuation Scheme
 Electricity Supply Industry Planning Council
 Elliston LeHunte Animal and Plant Control Board
 Environment and Heritage - Department for
 Environment Protection Authority
 Essential Services Commission of South Australia
 Eyre Peninsula Natural Resources Management Board

**AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT
AS AT 30 JUNE 2007**

Families and Communities, Department for
 Farm Business Improvement Program - Mark III
 Further Education, Employment, Science and Technology - Department of
 General Reserves Trust
 Generation Lessor Corporation
 Governors Pensions Scheme
 Grant Animal and Plant Control Board
 Health - Department of
 Health, Community and Disability Services Ministerial Council
 History Trust of South Australia
 HomeStart Finance
 Independent Gambling Authority
 Independent Gaming Corporation
 Institute of Medical and Veterinary Science
 Judges' Pensions Scheme
 Julia Farr Services
 Kangaroo Island Natural Resources Management Board
 Kantilla Pty Ltd
 Land Management Corporation
 Langhorne Creek Wine Industry Fund
 Legal Services Commission of South Australia
 Legislature - The
 Libraries Board of South Australia
 Local Government Finance Authority of South Australia
 Local Government Superannuation Board
 Lotteries Commission of South Australia
 Lucindale Naracoorte Animal and Plant Control Board
 Maralinga Lands Unnamed Conservation Park Board
 Marine Scalefish Industry Fund
 McLaren Vale Wine Industry Fund
 Medvet Science Pty Ltd
 Motor Accident Commission
 Museum Board
 Narana Pty Ltd
 National Centre for Vocational Education Research Ltd
 Native Vegetation Fund
 Natural Resources Management Fund
 Northern and Yorke Natural Resources Management Board
 Northern Yorke Peninsula Animal and Plant Control Board
 Office of the Venture Capital Board
 Office of Venue Management (Dormant)
 Optometrists Board of South Australia
 Outback Areas Community Development Trust
 Parliamentary Superannuation Scheme
 Planning and Development Fund
 Playford Capital Pty Ltd
 Playford Centre
 Police Superannuation Scheme

**AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT
AS AT 30 JUNE 2007**

Port Adelaide Maritime Corporation
 Premier and Cabinet - Department of the
 Primary Industries and Resources - Department of
 Public Trustee
 Repatriation General Hospital
 RESI Corporation
 Residential Tenancies Fund
 Retail Shop Leases Fund
 Riverland Wine Industry Fund
 Rural Industry Adjustment and Development Fund
 SA Ambulance Service Inc
 SA Ambulance Superannuation Scheme
 SA Murray Darling Basin Natural Resources Management Board
 SA Murray-Darling NRM - Mallee & Coorong Group
 SA Murray-Darling NRM - Rangelands Group
 SA Murray-Darling NRM - Riverland Group
 SA Murray-Darling NRM-Eastern Mount Lofty's & Murray Plains Group
 SABT Pty Ltd
 Second Hand Vehicles Compensation Fund
 Senior Secondary Assessment Board of South Australia
 South Australia Police
 South Australian Aboriginal Housing Authority
 South Australian Apiary Industry Fund
 South Australian Arid Lands Natural Resources Management Board
 South Australian Asset Management Corporation
 South Australian Cattle Industry Fund
 South Australian Centre for Trauma and Injury Recovery Inc.
 South Australian Citrus Industry Development Board
 South Australian Community Housing Authority
 South Australian Country Arts Trust
 South Australian Country Fire Service
 South Australian Deer Industry Fund
 South Australian Film Corporation
 South Australian Finance Trust Limited
 South Australian Fire and Emergency Services Commission
 South Australian Forestry Corporation
 South Australian Government Financing Authority
 South Australian Health Commission
 South Australian Housing Trust
 South Australian Local Government Grants Commission
 South Australian Metropolitan Fire Service
 South Australian Metropolitan Fire Service Superannuation Scheme
 South Australian Motor Sport Board
 South Australian Pig Industry Fund
 South Australian Psychological Board
 South Australian Sheep Industry Fund
 South Australian State Emergency Service
 South Australian Superannuation Scheme

**AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT
AS AT 30 JUNE 2007**

South Australian Tertiary Admissions Centre
 South Australian Tourism Commission
 South Australian Trade and Investment Corporation
 South Australian Water Corporation
 South Australian Water Corporation - Hydro Joint Venture
 South East Natural Resources Management Board
 South Eastern Water Conservation and Drainage Board
 Southern Adelaide Health Service
 Southern State Superannuation Scheme
 State Electoral Office
 State Opera of South Australia
 State Procurement Board
 State Theatre Company of South Australia
 Superannuation Funds Management Corporation of South Australia
 Supported Residential Facilities Indemnity Fund
 Teachers Registration Board
 The Flinders University of South Australia
 Trade and Economic Development - Department of
 TransAdelaide
 Transmission Leasing Pty Ltd
 Transmission Lessor Corporation
 Transport, Energy and Infrastructure - Department for
 Treasury and Finance - Department of
 University of Adelaide
 University of South Australia
 University of South Australia Holdings Incorporated
 Water, Land and Biodiversity Conservation - Department of
 Wattle Range Animal and Plant Control Board
 West Beach Trust
 Wildlife Conservation Fund
 Zero Waste SA

Total Number of Audits for 2006-07 174

