



## **AUDIT RESULTS**

### **– Assurance Audits completed at 3 November 2008 – Opinions on Ministerial Notifications**

#### **Report 6 – November 2008**

This Report is in two parts:

- The first part covers assurance audit activity to 3 November 2008. Findings from the audits of financial statements, controls and performance indicators prepared by agencies for the 2007-08 year are summarised.
- The second part explains opinions formed under section 24 (2)(c) of the *Auditor General Act 2006* where a Minister decides not to provide requested information to Parliament.

## **AUDIT RESULTS 2007-08**

### **Audit Opinions**

One hundred and sixty-six audit opinions were issued by 3 November for agencies with year-end reporting on 30 June or 31 July 2008. A further five opinions were issued that relate to previous reporting periods. Two agencies have still not completed their preparations for the 2007-08 audit.

Two agencies received qualified opinions. The Peel Development Commission received a qualified opinion on controls and the Western Australian Alcohol and Drug Authority again received a qualified opinion on two of its key effectiveness performance indicators.

### **Management Issues**

- Seventy-four agencies had significant and/or moderate financial management control weaknesses brought to their attention. In total, we identified 352 issues which was a 34 per cent increase over the previous year. This amounts to a marked deterioration in the control environment of many agencies.

- Weaknesses in information system (IS) controls, most commonly in security, business continuity planning, change control and IS operations, were also reported to many agencies.
- The need for improvement in key performance indicators was identified at 37 agencies. The most common audit recommendations related to the need to improve the relevance of the indicators to agency outcomes and the lack of targets against which performance can be assessed.
- A range of significant procedural and operational control weaknesses were identified at the Office of Shared Services relating to the new payroll and human resource management system, and with purchasing and information systems.

### **Better Practice Agencies**

Fifty-one agencies were rated as better practice agencies in 2008, compared with 40 last year. Our assessment is based on the quality and timeliness of financial statements and general good financial management practices.

Despite this improvement, many agencies continued to provide financial statements, key performance indicators and supporting working papers for audit that were of poor quality and/or late. Forty-five per cent of agencies did not achieve the date agreed with Audit for submission of their financial statements and performance indicators for audit. The consequence was higher audit cost and a delayed audit opinion.

### **OPINIONS ON MINISTERIAL NOTIFICATIONS**

In the period 20 November 2007 to 3 November 2008, 14 ministerial notifications under section 82 of the *Financial Management Act 2006* were received relating to two parliamentary questions asked of Ministers in the Legislative Assembly. In each case my opinion is that the Minister's decision not to provide the requested information to Parliament was reasonable and therefore appropriate.

A copy of the report can be accessed at [www.audit.wa.gov.au/](http://www.audit.wa.gov.au/)  
For further information contact by email: [info@audit.wa.gov.au](mailto:info@audit.wa.gov.au)