



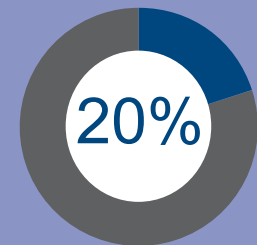
# Our Activities



We provide  
Parliament  
with relevant  
and timely  
information  
(page 42)



Parliamentary  
reviews  
directly affect  
our Office  
(page 43)



Increase in  
referrals and  
enquiries  
(page 45)

## Working with Parliament

Unlike public sector departments and agencies, our Office does not report to any government minister but reports directly to Parliament. As our key client, we strive to keep Parliament informed on public sector accountability and performance and we have developed a number of initiatives to promote quality relationships with Parliament and parliamentary committees.

### Parliamentary liaison program

Our parliamentary liaison program helps ensure that we provide Parliament with relevant and timely information, in keeping with our obligations under the *Auditor General Act 2006*. This benefits both Parliament and our Office and supports our mission to help improve public sector performance and accountability by reporting independently to Parliament.

This program includes:

- briefings for new Ministers, Members of Parliament and parliamentary committees
- regular meetings and briefings with parliamentary committees and key parliamentarians
- briefing parliamentarians on our tabled reports
- briefings to our parliamentary oversight committees on our proposed forward audit program and current audit issues
- providing information to support inquiries by parliamentary committees.

We use the results of our annual survey of Members of Parliament survey (page 25), together with direct feedback throughout the year, to identify any potential initiatives or improvements that could further enhance our parliamentary liaison program.

## Parliamentary inquiries

We have been involved in, or provided information to assist a number of parliamentary inquiries during 2015-16, including:

### Review of the Performance of the Office of the Auditor General and the effectiveness of the *Auditor General Act 2006*

The *Auditor General Act 2006* requires the Joint Standing Committee on Audit (JSCA) to carry out a review of the operation and effectiveness of the Act and the performance of the Auditor General every five years. The JSCA appointed independent reviewers to carry out this work under their direction.

In November 2015, the appointed reviewers provided the JSCA with the final report on stage 1 of the review, which focused on the performance of the Office. In June 2016, separate appointed reviewers provided the JSCA with a report for the second stage, a review of the effectiveness of the Act. Both reviews were comprehensive and from our perspective well managed and resourced. We appreciate the level of engagement and commitment of both review teams.

### Education and Health Standing Committee

The Auditor General and Assistant Auditor General, Information Systems and Performance Audit appeared before the Education and Health Standing Committee to discuss our February 2016 audit report the *Health Department's Procurement and Management of its Centralised Computing Services Contract* (page 36).

## Review of the Department of Treasury's Report Review of the Financial Management Act

The Auditor General and the Deputy Auditor General appeared before the Joint Standing Committee on Audit, and exchanged correspondence, to assist with its review of the *Financial Management Act 2006*. The Committee was interested in information provided by the Auditor General to the Department of Treasury, any concerns raised and any possible implications for the review into the effectiveness of the Auditor General Act.

### Parliamentary requests for information or investigation

Two performance audits were completed this year, which came about as a result of Members of Parliament raising issues with us. These requests were *Management of Feedback from Public Trustee Represented Persons* (page 31) and *Payment of Construction Subcontractors – Perth Children's Hospital* (page 33).

We have incorporated a number of other issues that members raised into broader audits. All requests for audit are considered through our comprehensive topic selection process (page 23).

## Working with our peers

### Australasian Council of Auditors-General

The Australasian Council of Auditors-General (ACAG) is an association established by Auditors General in 1993. It allows Auditors General to share information and business intelligence and supports the development of effective and efficient auditing methods and practices by members.

ACAG also enables Auditors General to express their collective opinions, where appropriate, on financial accounting and auditing standards and related issues such as exposure drafts issued by the Australian Accounting Standards Board and their international equivalents.

We also participate in ACAG's sub committees, which provide mutual benefits and learning opportunities between audit offices. These are:

- **ACAG Information Systems Audit Group:** provides a forum to exchange knowledge and experience in information technology (IT) audit and use of IT as a support tool for auditors.
- **Financial Reporting and Auditing Committee:** provides strategic and technical advice on developments in accounting, financial reporting and financial auditing.
- **Heads of Financial Audit Group:** provides a forum to exchange knowledge and experience in current financial audit developments and practice.
- **Heads of Performance Audit Group:** provides strategic advice and information to support the development of effective and efficient performance auditing practices.
- **Quality Assurance Committee:** develops and maintains ACAG's capacity to perform quality assurance reviews when requested by Auditors General.

## Auditing and Assurance Standards Board

The Auditor General is a member of the Auditing and Assurance Standards Board (AUASB), which is an independent, statutory agency of the Australian Government, responsible for developing, issuing and maintaining auditing and assurance standards.

## Integrity Coordinating Group

Our Office has been a member of the Integrity Coordinating Group (ICG) since it was established in 2005. The ICG is an informal association of five independent integrity agencies whose purpose is to use their combined voice to promote and strengthen integrity in Western Australian public bodies. The five agencies are, the Office of the Auditor General, the Western Australian Ombudsman, the Public Sector Commission, the Corruption and Crime Commission and the Office of the Information Commissioner.

The heads of the five agencies meet several times each year to share information and to collaborate where appropriate. Outputs of the ICG include guidance papers and seminars that promote the concept of integrity in government.

## Working with our stakeholders

The Office of the Auditor General receives information from many different sources that assists us to perform our functions. We treat all information we receive with confidentiality, applying best practice processes, as recommended by the Western Australian Ombudsman. We manage all feedback, suggestions and concerns in a way that demonstrates the Office values of integrity, quality and respect.

Our website includes information and advice on how to contact us and provides the opportunity to submit feedback through a number of communication methods. It is important to note that information received through these avenues may be examined under the *Auditor General Act 2006*, and can be considered as part of our topic selection process (page 23).

## Referrals and enquiries

Referrals can be an early warning of issues relating to the performance, probity and compliance of the public sector. We record and review all referrals and enquiries to identify any trends and wider issues across government.

When considering the issues referred to us, our focus is on systemic weaknesses rather than a one-off issue affecting an individual. If the matter is systemic and within our mandate, then any decision to investigate is made after consideration against internal protocols and in an objective and ethical manner to ensure a consistent response. If the issues are outside our mandate, we will assist individuals to redirect their issues to those who can best assist.

Where matters cross jurisdictional boundaries, such as the work of the Corruption and Crime Commission or the Public Sector Commission, we have processes in place to communicate with other integrity agencies to highlight potential issues, whilst maintaining confidentiality.

In 2015-16, we experienced a 20% increase in the number of referrals and enquiries lodged with us.

Referrals and/or enquiries received	2011-12	2012-13	2013-14	2014-15	2015-16
Members of the public	72	61	45	76	116
Member of Parliament or parliamentary committees	18	15	16	20	17
WA State Government agencies	9	14	15	37	30
<b>Total</b>	<b>99</b>	<b>90</b>	<b>76</b>	<b>133</b>	<b>163</b>

**Table 16: Referral and enquiries received by the Office**

Increased media around the government intent to change the Auditor General's mandate to include local government led to many referrals on local government matters despite us not yet having the authority. Other trends included concerns about the Department of Health, the Department of Education and the WA Housing Authority. The clear majority of referrals once again related to governance matters and compliance within public sector agencies.

In 2015-16, the average number of days we took to respond was 3.49 working days, an improvement from four days last year. We responded to 93.3% of all referrals and enquiries within our target of days to respond, which was also an improvement on last years' outcome of 90%.

## Public Interest Disclosures

The Office is one of a number of accountability agencies to which people can make public interest disclosures (PID) under the *Public Interest Disclosure Act 2003*. This Act establishes us as the appropriate authority to receive PIDs that relate to substantial unauthorised or irregular use of, or substantial mismanagement of, public resources.

In 2015-16, we received one PID matter that met the criteria of a PID. We also received two matters that are currently being assessed to see if they meet PID criteria.

The Auditor General appoints key employees, including some executive members of the Office, as PID officers. We deliver appropriate training for these employees so they can receive and manage PIDs effectively.

## Complaints

We define a complaint about the Office as any expression of dissatisfaction or concern made about the Office, its staff, external contractors, services, products or practices.

We received one complaint in 2015-16 which was resolved to the satisfaction of the complainant.