



Appendices

Appendix 1: Our Strategic Plan

The Executive Management Group (EMG) endorsed our Strategic Plan in February 2016. The actions contained in the plan are either stand-alone or included and cross-referenced to one of four key corporate documents: business unit operational plans, Communications Plan, Information Technology Plan and the Workforce Development Plan.

Progress against the plan will be reported to EMG throughout the year. At the time, EMG will also review and identify any amendments required or new outcomes, strategies or actions required. Progress against our outcomes will be reported externally through the annual report from next year.

Our People – Motivated, Innovative, Collaborative, Accountable, Valued, Skilled, Knowledgeable		
Outcomes	Strategies	Measure
An appropriately skilled workforce capable of meeting current and future business needs	Maintain an environment where learning opportunities are readily available; employees actively pursue learning; and acquired learning can be applied	a. Pass rate of employees sitting CPA/CA exams
	Maintain a meaningful employee performance review process	b. Results of online compliance training
	Ensure flexible, adaptive recruitment, contracting and employment arrangements to match work skills with demand	c. Number of reports where we use a contractor d. Performance rating in performance development review process
High performing people who contribute to strategic objectives	Invest in organisational capability that will give the OAG a long term benefit	a. Workforce Plan actioned
	Empower staff to complete all of their responsibilities on an audit or business project	b. Performance development review completion rate
	Encourage innovation and acknowledge staff for being innovative in their approach	c. Auditors provided with identified training and awareness specific to assigned audits
A work environment that is recognised as a workplace of choice	Assist staff wishing to undertake relevant further studies	a. CPA/CA exam results b. Number of secondments and internal rotations supported c. Number of secondments to other audit offices supported
	Provide opportunities for professional growth within the OAG	
	Provide national and international secondment opportunities	
	Ensure a safe and healthy working environment	

Our Tools – Robust, Efficient, User-Friendly, Flexible, Agile, Reliant, Compliant

Outcomes	Strategies	Measure
Efficient, effective and responsive business operations that meet current and emerging needs	Work within a framework and governance structure which is current and effective	a. OAG policy framework
	Respond effectively to changes in our environment by maintaining a strategic focus	b. Communicate policy changes
	Maintain an appropriate and effective approach to risk management	c. Staff awareness
	Ensure accurate and reliable technical advice is available	d. Strategic meetings
Sound information systems that support operational needs		e. Risk framework
	Ensure IT systems are efficient, effective and supported	
	Capitalise where possible on our existing systems to improve our business operations	a. Hardware and software availability
	Have an approach to IT that recognises and addresses operational and strategic business requirements	b. Information Technology Plan
Sound financial management of our business		c. Online Communications Plan
	Continuously improve internal and external accessibility and useability of our tools	
	Maintain a strong, sound and transparent financial management approach	a. Internal budget activity
	Use accurate business data that informs management decision making	b. Business intelligence availability
Audit methodology tools are current, reliable and compliant		c. Internal and external audits
	Continuously improve our processes to ensure quality and compliance of internal financial management practices	d. Reports with generally positive findings
		a. Post audit reviews
	Ensure our methodology remains current and compliant	b. Audit methodology improvement opportunities
		c. Changes to Standards

Our Approach – Consistent, Fair and Balanced, Independent, Transparent, Pragmatic, Professional, Contemporary

Outcomes	Strategies	Measure
Audits completed in accordance with auditing and professional standards	Maintain a contemporary and quality audit approach	a. Quality assurance review outcomes b. Post audit reviews
	All reports to go through the OAG quality framework	a. Quality assurance cold review outcomes b. Public Accounts Committee follow up of OAG reports
Relationships with audit clients professionally managed	Communicate, consult and develop quality relationships with clients	a. Audit client surveys b. Referrals and enquiries
Our reputation for independence, integrity and impartiality is maintained	Further enhance transparency and accountability of our topic selection process and outcomes	a. External opinion b. Website statistics c. Communications Plan
	Continuously reinforce to staff the Office principles of independence, integrity and impartiality	
	Maintain an awareness of the external perception of the Office	
A well informed parliament and public	Set clear expectations and communicate our role and purpose to Parliament, agencies and the community	a. Progress towards initiatives b. Delivery of briefing material
	Identify and implement strategies to address Parliament's needs and expectations	c. Members of Parliament survey

Our Products – Value for Money, Timely, Relevant, Accurate, Quality, Innovative

Outcomes	Strategies	Measure
Timely, relevant and quality reports on public sector performance and accountability	Table reports on time and on budget	<ul style="list-style-type: none"> a. Reporting KPIs – category targets b. Training delivered c. Internal tabling targets
Value for money reporting that address issues of public interest	Use benchmarking to ensure audit costs reflect value for money	<ul style="list-style-type: none"> a. Clients survey b. Members of Parliament survey
	Produce reports that are considered valuable and relevant to Parliament	<ul style="list-style-type: none"> c. OAG performance reports
	Ensure that the right audit product (Broad scope/narrow scope/AGBA) is selected to achieve value for money	<ul style="list-style-type: none"> d. Correspondence to Members of Parliament or committees regarding topic requests
Reports and opinions that lead to improved public sector performance and accountability	Include consideration of topics important to agencies when developing forward audit program	<ul style="list-style-type: none"> a. Plain English Foundation review rating
	Ensure clearly articulated and accessible report findings and recommendations	<ul style="list-style-type: none"> b. Communications Plan c. Members of Parliament survey d. Client surveys e. Agencies completing audit recommendations

Appendix 2: Audit clients for 2015-16 financial year

Audits under *Financial Management Act 2006*

Departments

Commissioner for Equal Opportunity
 Department for Child Protection and Family Support
 Department of Aboriginal Affairs
 Department of Agriculture and Food
 Department of Commerce
 Department of Corrective Services
 Department of Culture and the Arts
 Department of Education
 Department of Education Services
 Department of Environment Regulation
 Department of Finance
 Department of Fire and Emergency Services
 Department of Fisheries
 Department of Health
 Department of Housing
 Department of Lands
 Department of Local Government and Communities
 Department of Mines and Petroleum
 Department of Parks and Wildlife
 Department of Planning
 Department of Racing, Gaming and Liquor
 Department of Regional Development
 Department of Sport and Recreation
 Department of State Development

Department of the Attorney General
 Department of the Legislative Assembly
 Department of the Legislative Council
 Department of the Premier and Cabinet
 Department of the Registrar, Western Australian Industrial Relations Commission
 Department of the State Heritage Office
 Department of Training and Workforce Development
 Department of Transport
 Department of Treasury
 Department of Water
 Governor's Establishment
 Mental Health Commission
 Office of the Commissioner for Children and Young People
 Office of the Director of Public Prosecutions
 Office of the Environmental Protection Authority
 Office of the Government Chief Information Officer
 Office of the Information Commissioner
 Office of the Inspector of Custodial Services
 Parliamentary Commissioner for Administrative Investigations
 Parliamentary Services Department
 Police Service
 Public Sector Commission
 Road Safety Commission
 State Emergency Management Committee Secretariat
 Western Australian Electoral Commission

Statutory authorities

Agricultural Produce Commission
 Animal Resources Authority
 Botanic Gardens and Parks Authority
 Building and Construction Industry Training Board
 Central Institute of Technology (Final audit)
 Central Regional TAFE (from 11 April 2016)
 Challenger Institute of Technology (Final audit)
 Chemistry Centre (WA)
 Combat Sports Commission
 Commissioner of Main Roads
 Construction Industry Long Service Leave Payments Board
 Corruption and Crime Commission
 Country High School Hostels Authority
 Country Housing Authority
 Curtin University of Technology
 C Y O'Connor Institute (Final audit)
 Disability Services Commission
 Durack Institute of Technology (Final audit)
 Economic Regulation Authority
 Edith Cowan University
 Fire and Emergency Services Superannuation Board
 Forest Products Commission
 Gaming and Wagering Commission of Western Australia
 Gascoyne Development Commission
 Gold Corporation

Goldfields-Esperance Development Commission
 Goldfields Institute of Technology (Final audit)
 Government Employees Superannuation Board
 Great Southern Development Commission
 Great Southern Institute of Technology (Final audit)
 Health and Disability Services Complaints Office
 Heritage Council of Western Australia
 Housing Authority
 Insurance Commission of Western Australia
 Keep Australia Beautiful Council (W.A.)
 Kimberley Development Commission
 Kimberley Training Institute (Final audit)
 Landcare Trust
 Law Reform Commission of Western Australia
 Legal Aid Commission of Western Australia
 Legal Contribution Trust
 Legal Costs Committee
 Local Health Authorities Analytical Committee
 Lotteries Commission
 Metropolitan Cemeteries Board
 Metropolitan Redevelopment Authority
 Mid West Development Commission
 Minerals Research Institute of Western Australia
 Murdoch University

North Metropolitan TAFE (from 11 April 2016)
 North Regional TAFE (from 11 April 2016)
 Parliamentary Inspector of the Corruption and Crime Commission
 Peel Development Commission
 Perth Market Authority
 Perth Theatre Trust
 Pilbara Development Commission
 Pilbara Institute (Final audit)
 Polytechnic West (Final audit)
 Potato Marketing Corporation of Western Australia
 Professional Standards Council
 Public Transport Authority of Western Australia
 Public Trustee
 Quadriplegic Centre Board
 Racing and Wagering Western Australia
 Racing Penalties Appeal Tribunal of Western Australia
 Rottnest Island Authority
 Rural Business Development Corporation
 School Curriculum and Standards Authority
 ScreenWest Inc
 Small Business Development Corporation
 South Metropolitan TAFE (from 11 April 2016)
 South West Development Commission
 South West Institute of Technology (Final audit)
 State Supply Commission
 Swan Bells Foundation Inc
 The Aboriginal Affairs Planning Authority
 The Anzac Day Trust

The Board of the Art Gallery of Western Australia
 The Burswood Park Board
 The Coal Miners' Welfare Board of Western Australia
 The Library Board of Western Australia
 The Minister for Health in his capacity as the Deemed Board of Metropolitan Public Hospitals
 The National Trust of Australia (W.A.)
 The Queen Elizabeth II Medical Centre Trust
 The University of Western Australia
 The Western Australian Museum
 Trustees of the Public Education Endowment
 WA Country Health Service
 West Coast Institute of Training (Final audit)
 Western Australian Building Management Authority
 Western Australian Coastal Shipping Commission
 Western Australian Energy Disputes Arbitrator
 Western Australian Greyhound Racing Association
 Western Australian Health Promotion Foundation
 Western Australian Institute of Sport
 Western Australian Land Information Authority
 Western Australian Meat Industry Authority
 Western Australian Planning Commission
 Western Australian Sports Centre Trust
 Western Australian Tourism Commission
 Western Australian Treasury Corporation

Wheatbelt Development Commission
 WorkCover Western Australia Authority
 Zoological Gardens Authority

Subsidiaries

ACN 609 966 627 Ltd
 Goldmaster Enterprises Pty Ltd
 Homeswest Loan Scheme Trust
 Innovative Chiropractic Learning Pty Ltd
 Keystart Bonds Limited
 Keystart Housing Scheme Trust
 Keystart Loans Limited
 Keystart Support Trust
 Murdoch College Properties Pty Ltd
 Murdoch Retirement Services Ltd
 Murdoch University Foundation
 Murdoch University Veterinary Centre Trust
 South West Cogeneration Joint Venture
 South West Hub Joint Venture
 South West Hub Pty Ltd
 The University Club of Western Australia Pty Ltd
 UWA Accommodation Services Pty Ltd
 Vinalco Energy Pty Ltd
 Vinalco Energy Trust

Request audits

Alan and Iris Peacocke Research Foundation
 Perth USAsia Centre Pty Ltd
 Tertiary Institutions Service Centre (Inc)
 The Delegate to the Queen Elizabeth II Medical Centre Trust

Audits under other legislation

Cemeteries

Albany Cemetery Board
 Bunbury Cemetery Board
 Chowrup Cemetery Board
 Dwellingup Cemetery Board
 Geraldton Cemetery Board
 Kalgoorlie-Boulder Cemetery Board
 South Caroling Cemetery Board (Final audit)

Port authorities

Fremantle Port Authority
 Kimberley Ports Authority
 Mid West Ports Authority
 Pilbara Ports Authority
 Southern Ports Authority

Other legislation

Annual Report on State Finances
 Bunbury Water Corporation
 Busselton Water Corporation
 Horizon Power – Regional Power Corporation
 Independent Market Operator
 Synergy – Electricity Generation and Retail Corporation
 WA Bell Companies Administrator Authority
 Water Corporation
 Western Australian Land Authority
 Western Power – Electricity Networks Corporation

Appendix 3: Glossary

Accountability is traditionally established when Parliament confers responsibility on public sector agencies to account through a Minister of the Crown for all that is done in the exercise of their authority, the manner in which it is done and the ends sought to be achieved.

Across government benchmarking audits build on the annual assurance audits and are aimed at providing an indication to Parliament and agency management of how agencies are performing relative to each other on selected key control activities.

Agency means a department, a sub-department or a statutory authority as defined in the *Financial Management Act 2006*.

Annual Report on State Finances is a report prepared in accordance with the *Government Financial Responsibility Act 2000* that provides the state's public sector financial results for the financial year and outlines material differences between these results and the financial forecasts contained in the State Budget for that financial year.

Assurance audit or financial audit is audit work performed to enable an opinion to be expressed on the financial statements of an entity. For most entities, it also includes audit work to enable an opinion to be expressed on their controls and key performance indicators.

Audit includes to examine, investigate, inspect and review.

Auditor General's report is the vehicle used to report to Parliament the results of audits and examinations conducted under sections 12 to 20 of the *Auditor General Act 2006*.

Clear audit opinion is expressed when the audit concludes, based on the audit evidence obtained, that, in all material respects, the financial statements are free from material misstatement, the key performance indicators are relevant and appropriate and fairly represent indicated performance, or controls are adequate.

Compliance audits are audits that provide information about agency compliance with legislation, public sector policies and good practice.

Corporatised entities operate under enabling legislation in a similar manner to companies under the *Corporations Act 2001*.

Department means a department of the public sector established under the *Public Sector Management Act 1994*.

Effectiveness indicators are key performance indicators that provide information on the extent to which agency level government desired outcomes have been achieved, or contributed to, through the delivery of services.

Efficiency indicators are key performance indicators that generally relate services to the level of resource inputs required to deliver them.

Financial statements are a structured set of financial information including explanatory notes derived from accounting records to communicate for a period of time an entity's financial performance and cash flows, and at a point of time its financial position, that is useful to a wide range of users in making economic decisions.

A **follow-up audit** reviews the extent to which recommendations from the previous performance audit have been implemented, generally three to five years after tabling a report.

A **follow-on audit** examines the progress in implementing recommendations from a previous report and has additional scope in covering significant issues or developments in the area or activity.

Key performance indicator (KPI) is information about critical or material aspects of service performance or outcome achievement.

Key performance indicator audit is an audit performed to enable an opinion to be expressed about whether or not the key performance indicators are relevant and appropriate having regard to their purpose and fairly represent indicated performance.

Management letter is a letter to senior management of an agency or other entity that conveys the audit findings and results of an audit. It may include recommendations for improvements in controls and other matters.

Matters of significance (MoS) are the 'key messages' in Auditor General's reports defined as the issues a general parliamentary reader would take away from the report after the detail of specific findings and recommendations has receded into the background.

Outcomes are the effect, impact, result on or consequence for the community, environment or target clients of government services.

Performance audits are audits that examine efficiency and effectiveness of public sector agencies or specific areas within an agency or across a number of agencies.

Service means the supply of an activity or good to a user external to the entity providing the service. Services comprise programs and outputs.

Statutory authority means a person or body specified in Schedule 1 of the *Financial Management Act 2006*. These agencies are established by Parliament under legislation for specified purposes.

Sub-department means an entity in respect of which a declaration under section 56(2) of the *Financial Management Act 2006* has effect.

Treasurer's Instructions are prescribed requirements at a minimum level with respect to matters of financial administration that have the force of law and must be observed by public sector agencies under the *Financial Management Act 2006*.

Appendix 4: Over 180 years of audit in Western Australia



The origins of the Office of the Auditor General for Western Australia herald back to the first months of settlement of the Swan River colony in 1829. Captain Stirling formed in May (before even landing) 'a Board of Counsel and Audit in the management of the property of the Crown, and of public property within the settlement'.

This started out as a voluntary role: '... I am to acquaint you that his Excellency expects from your zeal the performance of the service required of you without reward of remuneration beyond the satisfaction you will derive from the fulfilment of a duty of this confidential nature'.

Stirling commanded the Office of the Commissioners of the Board of Counsel and Audit be opened 'for the despatch of business' on 12 August 1829. But they were very humble beginnings, operating out of a tent on the site chosen for the Town of Perth.

The Swan River Colony's first Auditor, Captain Mark Currie, was appointed 1 July 1831, paid 300 pounds per annum, and was responsible to the Colonial Office through the Governor.

Western Australia has had 18 Auditors General.

