

# Appendix 1: Our strategic plan

The Executive Management Group (Executive) endorsed our Strategic Plan in February 2016. The new Auditor General and our Executive team are working towards a full review of our existing Strategic Plan (page 23) to take into account evolving priorities for the OAG. This includes the 2018-19 activities highlighted throughout this report. We are aiming to have completed this review by the end of 2018.

Our people – motivated, innovative, collaborative, accountable, valued, skilled, knowledgeable	
Outcomes	Strategies
An appropriately skilled workforce capable of meeting current and future business needs	<ul style="list-style-type: none"> <li>• Maintain an environment where learning opportunities are readily available; employees actively pursue learning; and acquired learning can be applied</li> <li>• Maintain a meaningful employee performance review process</li> <li>• Ensure flexible and adaptive recruitment, contracting and employment arrangements to match work skills with demand</li> </ul>
High performing people who contribute to strategic objectives	<ul style="list-style-type: none"> <li>• Invest in organisational capability that will give the OAG a long-term benefit</li> <li>• Empower staff to complete all of their responsibilities on an audit or business project</li> <li>• Encourage innovation and acknowledge staff for being innovative in their approach</li> </ul>
A work environment that is recognised as a workplace of choice	<ul style="list-style-type: none"> <li>• Assist staff wishing to undertake relevant further studies</li> <li>• Provide opportunities for professional growth within the OAG</li> <li>• Provide national and international secondment opportunities</li> <li>• Ensure a safe and healthy working environment</li> </ul>

## Our products – value for money, timely, relevant, accurate, quality, innovative

Outcomes	Strategies
Timely, relevant and quality reports on public sector performance and accountability	<ul style="list-style-type: none"> <li>• Table reports on time and on budget</li> </ul>
Value for money reporting that addresses issues of public interest	<ul style="list-style-type: none"> <li>• Use benchmarking to ensure audit costs reflect value for money</li> <li>• Produce reports that are considered valuable and relevant to Parliament</li> <li>• Ensure that the right audit product (broad scope/narrow scope/AGBA) is selected to achieve value for money</li> </ul>
Reports and opinions that lead to improved public sector performance and accountability	<ul style="list-style-type: none"> <li>• Include consideration of topics important to Parliament and agencies when developing forward audit program</li> <li>• Ensure clearly articulated and accessible report findings and recommendations</li> </ul>

## Our tools – robust, efficient, user-friendly, flexible, agile, reliant, compliant

Outcomes	Strategies
Efficient, effective and responsive business operations that meet current and emerging needs	<ul style="list-style-type: none"> <li>• Work within a framework and governance structure which is current and effective</li> <li>• Respond effectively to changes in our environment by maintaining a strategic focus</li> <li>• Maintain an appropriate and effective approach to risk management</li> <li>• Ensure accurate and reliable technical advice is available</li> </ul>
Sound information systems that support operational needs	<ul style="list-style-type: none"> <li>• Ensure IT systems are efficient, effective and supported</li> <li>• Capitalise where possible on our existing systems to improve our business operations</li> <li>• Have an approach to IT that recognises and addresses operational and strategic business requirements</li> <li>• Continuously improve internal and external accessibility and useability of our tools</li> </ul>
Sound financial management of our business	<ul style="list-style-type: none"> <li>• Maintain a strong, sound and transparent financial management approach</li> <li>• Use accurate business data that informs management decision-making</li> <li>• Continuously improve our processes to ensure quality and compliance of internal financial management practices</li> </ul>
Audit methodology tools are current, reliable and compliant	<ul style="list-style-type: none"> <li>• Ensure our methodology remains current and compliant</li> </ul>

## Our approach – consistent, fair and balanced, independent, transparent, pragmatic, professional, contemporary

Outcomes	Strategies
Audits completed in accordance with auditing and professional standards	<ul style="list-style-type: none"> <li>• Maintain a contemporary and quality audit approach</li> <li>• All reports to go through the OAG quality framework</li> </ul>
Relationships with audit clients professionally managed	<ul style="list-style-type: none"> <li>• Communicate, consult and develop quality relationships with clients</li> </ul>
Our reputation for independence, integrity and impartiality is maintained	<ul style="list-style-type: none"> <li>• Further enhance transparency and accountability of our topic selection process and outcomes</li> <li>• Continuously reinforce to staff the OAG principles of independence, integrity and impartiality</li> <li>• Maintain an awareness of the external perception of the OAG</li> </ul>
A well informed Parliament and public	<ul style="list-style-type: none"> <li>• Set clear expectations and communicate our role and purpose to Parliament, agencies and the community</li> <li>• Identify and implement strategies to address Parliament's needs and expectations</li> <li>• Prepare for performance and legislative reviews</li> </ul>

# Appendix 2: Financial audit clients 2017-18

## 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 Biodiversity, Conservation and Attractions  
Department of Commerce  
Department of Communities  
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 Jobs, Tourism, Science and Innovation  
Department of Justice  
Department of Lands  
Department of Local Government and Communities  
Department of Local Government, Sport and Cultural Activities

Department of Mines and Petroleum  
Department of Mines, Industry Regulation and Safety  
Department of Parks and Wildlife  
Department of Planning  
Department of Planning, Lands and Heritage  
Department of Primary Industry and Regional Development  
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  
Department of Water and Environment Regulation  
Governor's Establishment  
Mental Health Commission  
Office of the Commissioner for Children and Young People

Office of the Director of Public Prosecutions  
Office of Emergency Management  
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  
Western Australian Electoral Commission

### Statutory authorities

Agricultural Produce Commission  
Animal Resources Authority  
Botanic Gardens and Parks Authority  
Building and Construction Industry Training Board  
Central Regional TAFE  
Chemistry Centre (WA)  
Child and Adolescent Health Service  
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  
Disability Services Commission  
East Metropolitan Health Service  
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  
Government Employees Superannuation Board  
Great Southern Development Commission  
Health and Disability Services Complaints Office  
Health Support Services  
Heritage Council of Western Australia  
Housing Authority  
Insurance Commission of Western Australia  
Keep Australia Beautiful Council (W.A.)  
Kimberley Development Commission  
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 Health Service  
 North Metropolitan TAFE  
 North Regional TAFE  
 Parliamentary Inspector of the Corruption and Crime Commission  
 Peel Development Commission  
 Perth Market Authority  
 Perth Theatre Trust  
 Pilbara Development Commission  
 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 Health Service  
 South Metropolitan TAFE  
 South West Development Commission  
 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 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  
 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

Advara 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  
 The University Club of Western Australia Pty Ltd  
 UWA Accommodation Services Pty Ltd  
 UWA Sort Pty Ltd

## 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 Act 1986

Albany Cemetery Board  
 Bunbury Cemetery Board  
 Chowerup Cemetery Board  
 Dwellingup Cemetery Board  
 Geraldton Cemetery Board  
 Kalgoorlie-Boulder Cemetery Board

### Port Authorities Act 1999

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  
 Water Corporation  
 Western Australian Land Authority  
 Western Power – Electricity Networks Corporation

### Subsidiaries

Vinalco Energy Pty Ltd  
 Vinalco Energy Trust

## Local Government audits

### 2017-18

Belmont City  
Brookton Shire  
Bruce Rock Shire  
Bunbury City  
Bunbury-Harvey Regional Council  
Cambridge Town  
Capel Shire  
Cockburn City  
Cottesloe Town  
Cranbrook Shire  
Cue Shire  
Cunderdin Shire  
Dandaragan Shire  
Denmark Shire  
Eastern Metropolitan Regional Council  
Exmouth Shire  
Jerramungup Shire  
Joondalup City  
Kalgoorlie-Boulder City  
Kellerberrin Shire  
Kondinin Shire  
Koorda Shire  
Laverton Shire  
Menzies Shire  
Moora Shire  
Morawa Shire  
Narrogin Shire  
Northampton Shire  
Nungarin Shire  
Perenjori Shire

Perth City  
Pilbara Regional Council  
Ravensthorpe Shire  
Rivers Regional Council  
Rockingham City  
Sandstone Shire  
South Perth City  
Stirling City  
Tammin Shire  
Three Springs Shire  
Wanneroo City  
West Arthur Shire  
Woodanilling Shire  
Wyalkatchem Shire  
Yalgoo Shire  
York Shire

### 2018-19

Albany City  
Ashburton Shire  
Bassendean Town  
Bayswater City  
Boddington Shire  
Boyup Brook Shire  
Bridgetown-Greenbushes Shire  
Broome Shire  
Busselton City  
Canning City  
Carnamah Shire  
Christmas Island Shire  
Claremont Town  
Cocos (Keeling) Islands Shire  
Coorow Shire

Corrigin Shire  
Cuballing Shire  
Dalwallinu Shire  
Derby-West Kimberley Shire  
Donnybrook-Balingup Shire  
Dowerin Shire  
Dundas Shire  
East Fremantle Town  
Fremantle City  
Gnowangerup Shire  
Goomalling Shire  
Gosnells City  
Greater Geraldton City  
Halls Creek Shire  
Irwin Shire  
Kalamunda Shire  
Karratha City  
Katanning Shire  
Kojonup Shire  
Kulin Shire  
Kwinana City  
Lake Grace Shire  
Meekatharra Shire  
Melville City  
Merredin Shire  
Mingenew Shire  
Mosman Park Town  
Mount Magnet Shire  
Mukinbudin Shire  
Mundaring Shire  
Murchison Regional Vermin Council  
Murchison Shire

Nannup Shire  
Nedlands City  
Northam Shire  
Peppermint Grove Shire  
Pingelly Shire  
Serpentine-Jarrahdale Shire  
Southern Metropolitan Regional Council  
Subiaco City  
Swan City  
Tamala Park Regional Council  
Upper Gascoyne Shire  
Victoria Park Town  
Victoria Plains Shire  
Vincent City  
Wagin Shire  
Western Metropolitan Regional Council  
Westonia Shire  
Wickepin Shire  
Williams Shire

### 2019-20

Armadale City  
Augusta-Margaret River Shire  
Beverley Shire  
Broomehill-Tambellup Shire  
Carnarvon Shire  
Chapman Valley Shire  
Chittering Shire  
Coolgardie Shire  
Dardanup Shire  
Dumbleyung Shire

Harvey Shire  
Leonora Shire  
Manjimup Shire  
Mindarie Regional Council  
Mount Marshall Shire  
Murray Shire  
Narembeen Shire  
Port Hedland Town  
Shark Bay Shire  
Trayning Shire

### 2020-21

Collie Shire  
East Pilbara Shire  
Esperance Shire  
Gingin Shire  
Kent Shire  
Mandurah City  
Ngaanyatjarraku Shire  
Plantagenet Shire  
Quairading Shire  
Toodyay Shire  
Wandering Shire  
Waroona Shire  
Wiluna Shire  
Wongan-Ballidu Shire  
Wyndham-East Kimberley Shire  
Yilgarn Shire



# 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** (AGBA) 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.

**Focus area audit** are audits which assess how well agencies perform common business practices and related controls. They are carried out as an extension of our annual financial audits.

A **follow-up audit** reviews the extent to which recommendations from the previous performance audit have been implemented, generally 3 to 5 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*.



# Over 180 years of audit in Western Australia

The origins of the OAG date back to the first months of settlement of the Swan River colony in 1829. In May, before even landing on shore, Captain Stirling formed '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 or 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 19 Auditors General. The current Auditor General, Caroline Spencer is the first female appointed to the role.

2018	Caroline Spencer
2007	Colin Murphy
1991	Des Pearson
1987	Alan Smith
1982	William Rolston
1975	Alan Tonks
1969	Will Adams
1968	Ormond Boyer
1962	Clifford Press
1954	Constantine Mathea
1945	William Nicholas
1936	Sydney Arnold Taylor
1904	Charles Samuel Toppin
1891	Fred Spencer
1872	Edward Lane Courthope
1846	William Knight
1844	Peter Broun
1832	John Lewis
1831	Captain Mark Currie

