

Appendix 1: Our strategic plan

Our Executive team has reviewed our existing strategic plan (page 19) and confirmed the actions, measures and targets remain relevant and current. This includes the 2018-2019 activities highlighted throughout this report.

As we are entering the fourth year of our 5-year strategic plan we will start focusing on a new strategic plan in the next 12-months. We will review our desired outcomes and strategic direction, ensuring our strategies and actions are relevant and contemporary.

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"> • Maintain an environment where learning opportunities are readily available; employees actively pursue learning; and acquired learning can be applied • Maintain a meaningful employee performance review process • Ensure flexible and adaptive recruitment, contracting and employment arrangements to match work skills with demand
High performing people who contribute to strategic objectives	<ul style="list-style-type: none"> • Invest in organisational capability that will give the OAG a long-term benefit • Empower staff to complete all of their responsibilities on an audit or business project • Encourage innovation and acknowledge staff for being innovative in their approach
A work environment that is recognised as a workplace of choice	<ul style="list-style-type: none"> • Assist staff wishing to undertake relevant further studies • 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
Efficient, effective and responsive business operations that meet current and emerging needs	<ul style="list-style-type: none"> • Work within a framework and governance structure which is current and effective • Respond effectively to changes in our environment by maintaining a strategic focus • Maintain an appropriate and effective approach to risk management • Ensure accurate and reliable technical advice is available
Sound information systems that support operational needs	<ul style="list-style-type: none"> • Ensure IT systems are efficient, effective and supported • Capitalise where possible on our existing systems to improve our business operations • Have an approach to IT that recognises and addresses operational and strategic business requirements • Continuously improve internal and external accessibility and useability of our tools
Sound financial management of our business	<ul style="list-style-type: none"> • Maintain a strong, sound and transparent financial management approach • Use accurate business data that informs management decision-making • Continuously improve our processes to ensure quality and compliance of internal financial management practices
Audit methodology tools are current, reliable and compliant	<ul style="list-style-type: none"> • Ensure our methodology remains current and compliant

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

Outcomes

Strategies

Audits completed in accordance with auditing and professional standards

- Maintain a contemporary and quality audit approach
- All reports to go through the OAG quality framework

Relationships with audit clients professionally managed

- Communicate, consult and develop quality relationships with clients

Our reputation for independence, integrity and impartiality is maintained

- Further enhance transparency and accountability of our topic selection process and outcomes
- Continuously reinforce to staff the OAG principles of independence, integrity and impartiality
- Maintain an awareness of the external perception of the OAG

A well informed Parliament and public

- Set clear expectations and communicate our role and purpose to Parliament, agencies and the community
- Identify and implement strategies to address Parliament's needs and expectations
- Prepare for performance and legislative reviews

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

Outcomes

Strategies

Timely, relevant and quality reports on public sector performance and accountability

- Table reports on time and on budget

Value for money reporting that addresses issues of public interest

- Use benchmarking to ensure audit costs reflect value for money
- Produce reports that are considered valuable and relevant to Parliament
- Ensure that the right audit product (broad scope/narrow scope/focus) is selected to achieve value for money

Reports and opinions that lead to improved public sector performance and accountability

- Include consideration of topics important to Parliament and agencies when developing forward audit program
- Ensure clearly articulated and accessible report findings and recommendations

Appendix 2: Financial audit clients 2018-19

Audits under Financial Management Act 2006

Departments

Commissioner for Equal Opportunity
Department of Biodiversity, Conservation and Attractions
Department of Communities
Department of Education
Department of Finance
Department of Fire and Emergency Services
Department of Health
Department of Jobs, Tourism, Science and Innovation
Department of Justice
Department of Local Government, Sport and Cultural Activities
Department of Mines, Industry Regulation and Safety
Department of Planning, Lands and Heritage
Department of Primary Industries and Regional Development
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 Training and Workforce Development
Department of Transport
Department of Treasury
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 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
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 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	Parliamentary Inspector of the Corruption and Crime Commission	The Coal Miners' Welfare Board of Western Australia
Great Southern Development Commission	Peel Development Commission	The Library Board of Western Australia
Health and Disability Services Complaints Office	Perth Theatre Trust	The National Trust of Australia (W.A.)
Health Support Services	Pilbara Development Commission	The Queen Elizabeth II Medical Centre Trust
Heritage Council of Western Australia	Professional Standards Council	The University of Western Australia
Housing Authority	Public Transport Authority of Western Australia	The Western Australian Museum
Insurance Commission of Western Australia	Public Trustee	Trustees of the Public Education Endowment
Keep Australia Beautiful Council (W.A.)	Quadriplegic Centre	WA Country Health Service
Kimberley Development Commission	Racing and Wagering Western Australia	Western Australian Building Management Authority
Landcare Trust	Racing Penalties Appeal Tribunal of Western Australia	Western Australian Coastal Shipping Commission
Law Reform Commission of Western Australia	Rottnest Island Authority	Western Australian Energy Disputes Arbitrator
Legal Aid Commission of Western Australia	Rural Business Development Corporation	Western Australian Greyhound Racing Association
Legal Contribution Trust	School Curriculum and Standards Authority	Western Australian Health Promotion Foundation
Legal Costs Committee	Small Business Development Corporation	Western Australian Institute of Sport
Local Health Authorities Analytical Committee	South Metropolitan Health Service	Western Australian Land Information Authority
Lotteries Commission	South Metropolitan TAFE	Western Australian Meat Industry Authority
Metropolitan Cemeteries Board	South Regional TAFE	Western Australian Planning Commission
Metropolitan Redevelopment Authority	South West Development Commission	Western Australian Sports Centre Trust
Mid West Development Commission	State Supply Commission	Western Australian Tourism Commission
Minerals Research Institute of Western Australia	Swan Bells Foundation Inc	Western Australian Treasury Corporation
Murdoch University	The Aboriginal Affairs Planning Authority	Wheatbelt Development Commission
North Metropolitan Health Service	The Anzac Day Trust	
North Metropolitan TAFE	The Board of the Art Gallery of Western Australia	
North Regional TAFE	The Burswood Park Board	

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
St Stephen's College Pty Ltd
The University Club of Western Australia Pty Ltd
UWA Accommodation Services Pty Ltd
UWA Sport Pty Ltd
Young Lives Matter Foundation UWA Ltd

Request audits

Alan and Iris Peacocke Research Foundation
Perth USAsia Centre Pty Ltd
Tertiary Institutions Service Centre (Inc)
Tertiary Institutions Service Centre Ltd

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

South West Solar Development Holdings Pty Ltd
Vinalco Energy Pty Ltd
Vinalco Energy Trust

Local government audits

2017-18

City of Belmont
Shire of Brookton
Shire of Bruce Rock
City of Bunbury
Bunbury-Harvey Regional Council
Town of Cambridge
Shire of Capel
City of Cockburn
Town of Cottesloe
Shire of Cranbrook
Shire of Cue
Shire of Cunderdin
Shire of Dandaragan
Shire of Denmark
Eastern Metropolitan Regional Council

Shire of Exmouth
Shire of Jerramungup
City of Joondalup
City of Kalgoorlie-Boulder
Shire of Kellerberrin
Shire of Kondinin
Shire of Koorda
Shire of Laverton
Shire of Menzies
Shire of Moora
Shire of Morawa
Shire of Narrogin
Shire of Northampton
Shire of Nungarin
Shire of Perenjori
City of Perth
Pilbara Regional Council
Shire of Ravensthorpe
Rivers Regional Council
City of Rockingham
Shire of Sandstone
City of South Perth
City of Stirling
Shire of Tammin
Shire of Three Springs
City of Wanneroo
Shire of West Arthur

Shire of Woodanilling
Shire of Wyalkatchem
Shire of Yalgoo
Shire of York
2018-19
City of Albany
Shire of Ashburton
Town of Bassendean
City of Bayswater
Shire of Boddington
Shire of Boyup Brook
Shire of Bridgetown-Greenbushes
Shire of Broome
City of Busselton
City of Canning
Shire of Carnamah
Shire of Christmas Island
Town of Claremont
Shire of Cocos (Keeling) Islands
Shire of Coorow
Shire of Corrigin
Shire of Cuballing
Shire of Dalwallinu
Shire of Derby-West Kimberley
Shire of Donnybrook-Balingup
Shire of Dowerin
Shire of Dundas

Town of East Fremantle
City of Fremantle
Shire of Gnowangerup
Shire of Goomalling
City of Gosnells
City of Greater Geraldton
Shire of Halls Creek
Shire of Irwin
City of Kalamunda
City of Karratha
Shire of Katanning
Shire of Kojonup
Shire of Kulin
City of Kwinana
Shire of Lake Grace
Shire of Meekatharra
City of Melville
Shire of Merredin
Shire of Mingenew
Town of Mosman Park
Shire of Mount Magnet
Shire of Mukinbudin
Shire of Mundaring
Shire of Murchison
Murchison Regional Vermin Council
Shire of Nannup
City of Nedlands

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

2019-20

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

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

2020-21

Shire of Collie
Shire of East Pilbara
Shire of Esperance
Shire of Gingin
Shire of Kent
City of Mandurah
Shire of Ngaanyatjarraku
Shire of Plantagenet
Shire of Quairading
Tamala Park Regional Council
Shire of Toodyay
Shire of Wandering
Shire of Waroona
Shire of Wongan-Ballidu
Shire of Wyndham-East Kimberley
Shire of Yilgarn

Appendix 3: Acronyms

ABN	Australian Business Number	JAC	Joint Audit Committee
AAS	Australian Accounting Standards	KPI	key performance indicator
ACAG	Australasian Council of Auditors General	LG	local government
AFH	Albert Facey House	LG	Local Government Professionals Australia WA
ARMC	Audit and Risk Management Committee	Professionals	
CA ANZ	Chartered Accountants Australia and New Zealand	LIS	laboratory information system
DAIP	disability access and inclusion plan	MOU	memorandum of understanding
DLGSC	Department of Local Government, Sports and Cultural Industries	NAIDOC	National Aborigines and Islanders Day Observance Committee
ECL	expected credit loss	OAG	Office of the Auditor General
EFOC	Estimates and Financial Operations Committee	OSH	occupational safety and health
FTE	full time equivalent employee	PAC	Public Accounts Committee
GCC	general computer control	PID	public interest disclosure
GESB	Government Employees Superannuation Board	PSLR	Public Sector Labour Relations
GSS	Gold State Superannuation Scheme	RAP	reconciliation action plan
GST	Goods and Services Tax	TAFE	technical and further education
ICT	information and communications technology	TI	Treasurer's Instructions
INTOSAI	International Organisation of Supreme Audit Institutions	W3C	World Wide Web Consortium
IS	information systems	WALGA	WA Local Government Association
IT	information technology	WSS	West State Superannuation Scheme

Appendix 4: Glossary

Accountability is traditionally established when Parliament confers responsibility on public sector entities 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 entity management of how entities are performing relative to each other on selected key control activities.

Annual Report on State

Finances is a report prepared in accordance with the *Government Financial Responsibility Act 2000* that provides the State's whole-of-government 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 a State or local government entity. For State government 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*.

Broad scope performance audits focus primarily on the effective management and operations of State and local government programs and activities.

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 and, if necessary, 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 entity 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 entity 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 public sector entities 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 a 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.

A **local government entity** (LG entity) is one of the 139 local governments or 9 regional councils in Western Australia.

Management letter is a letter to senior management of an 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.

Narrow scope performance audit focus on entity compliance with legislation, public sector policies and accepted good practice across state and local government entities.

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 entities.

Public sector entities is the collective term for all Western Australian State and local government entities.

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

A **State government entity** (state entity) is a Western Australian government department or agency, parliamentary department, statutory authority, university or state training provider, superannuation fund, corporatised entity, cemetery board or subsidiary entity.

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

Treasurer's Instructions (TI) 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 State government entities under the *Financial Management Act 2006*.