About us

The Auditor General is an independent officer of the Parliament with responsibility for auditing the Western Australian (WA) public sector. The Auditor General has complete discretion in the performance of these functions. This independence and freedom from pressure, influence or interference is the cornerstone of public sector audit.

The Auditor General is appointed by the WA Governor for a 10-year term on the recommendation of the Treasurer and following consultation with parliamentary oversight committees. The Auditor General serves as an ex-officio member of the State Records Commission and has other responsibilities outlined in a variety of legislation, including the Commonwealth Electoral Act 1918.

In May 2018, Ms Caroline Spencer was appointed Auditor General.

The Office of the Auditor General (OAG) supports the Auditor General and is one of the largest audit practices in Western Australia. The OAG is a public sector entity and the Auditor General is the chief executive officer and employer of staff.

The Auditor General reports directly to the Parliament of WA. Three parliamentary committees have oversight of our operations – the Legislative Assembly’s Public Accounts Committee, the Legislative Council’s Estimates and Financial Operations Committee and the Joint Audit Committee.

Figure 1: OAG reporting structure to Parliament
Our responsibilities

The Auditor General is responsible for:

• auditing the Annual Report on State Finances
• conducting annual financial statement, key performance indicator and control audits, and issuing audit opinions for State government entities including departments, statutory authorities, tertiary institutions and corporatised entities
• conducting annual financial statement audits and issuing auditor’s reports for local government entities
• undertaking wide-ranging performance audits to ensure there are adequate controls within State and local government entities, compliance with relevant legislation, and most importantly efficiency and effectiveness of activities and functions
• reporting the results of audits to Parliament in an objective, competent, insightful and timely manner.

In 2019-20, we achieved this with a budget of $31.9 million, 158 employees and the professional resources of our contract audit firm partners. We have a diverse cultural and social workforce. Our people have a range of qualifications and experiences well beyond simply accounting and auditing. We are very proud of this diversity because it strengthens our capability, better reflects the vibrant WA community and makes the OAG a more enjoyable place to work.
Executive summary from the Auditor General

In December 2019, the Office celebrated 190 years of public auditing in Western Australia. I would like to thank the presiding officers for allowing us to hold the event within the Parliament’s Legislative Assembly Chamber and courtyard, and those members and special guests who attended and spoke. The morning provided an enjoyable moment of reflection for our employees and reinforced for them the importance of our enduring role in service to the Parliament and people of Western Australia (WA).

A lot has changed since that day, giving our work even greater significance.

With WA in a State of Emergency and under public health orders since March 2020, and our interstate and international borders currently closed in response to the COVID-19 global pandemic, we are not in a normal operating environment. While restrictions on movement and gatherings within WA are largely lifted at the time of writing, the economic and social impacts...
for our nation, the WA community, and the public sector that serves it, are far reaching.

With State and Federal economic stimulus and support measures enacted on an urgent and unprecedented scale to support individuals, community groups and businesses, the focus of governments and their spending patterns look somewhat different to that of recent years. Various aspects of decision-making, control, information-flow and accountability mechanisms are currently altered. In addition, technology has been utilised and systems accessed in different ways to support working from home and virtual meetings.

Times of extreme disruption such as these present fertile environments for financial reporting errors or misappropriation, lax procurement and payment processes, conflicts of interest, disingenuous attribution and cybercrime opportunities, as entities become pre-occupied or possibly overwhelmed with addressing the demands of a State of Emergency.

Now, more than ever, robust public governance and keen auditing oversight are needed to provide transparency and assurance to Parliament and the community that public money, particularly funds linked to WA’s COVID-19 response and recovery activities, are spent for their intended purpose, and that entities are efficient, effective and compliant in their operations.

Our audit teams have worked diligently to establish processes that allow us to conduct our audit work while offering as much flexibility as possible to reduce the burden on State and local government entities, many of whom have faced significant demands as COVID-19 respondents. Our website provides further detail on our role in auditing the State’s COVID-19 response, including performance audit coverage. It also refers to resources we have developed to provide entities with guidance around good financial controls and security considerations for working from home arrangements.

How the sector responded to disruption

I am pleased to report that my Office encountered countless examples of excellent governance practice and commitment by senior public sector leaders and their employees during the peak of the crisis response in March and April. Noteworthy are Health entities, the Office of State Revenue and the Departments of Treasury and Finance and some local governments in their approaches to audit. Outstanding leaders recognise that high levels of accountability and transparency, which are essential for trust in public institutions, are in the sharpest of focus now, at a time when the social contract between government and citizens, to make decisions and act in the public interest, is being tested in the extreme.

Conversely, it was concerning to receive a small number of requests to cease or substantially reduce our audit oversight for an extended period, including a representation on behalf of the entire local government sector. While such requests may be a tempting short-term management response, they are not feasible or in the best interests of the public sector or community overall. A sense of history and proportion helps.

“With State and Federal economic stimulus and support measures enacted on an urgent and unprecedented scale to support individuals, community groups and businesses, the focus of governments and their spending patterns look somewhat different to that of recent years. Various aspects of decision-making, control, information-flow and accountability mechanisms are currently altered.”
“Set-up of the Forensic Audit unit is proceeding well and already supporting further data analytic capability across our audit teams, allowing them to perform deeper analysis of vast datasets to identify red flags and vulnerabilities in systems and controls.”

When I look through the archives of my office, I see that public auditing in WA continued throughout the upheaval of world wars, economic depressions and more, and without the advantage of any of the technology we have today. Our auditors’ actions thus far, which have included stepping back in response to COVID-19, have gone much further than our normal approach of working with entities to consider their operational pressures in determining our audit timing and methodology so that audit impost is minimised wherever possible.

We will continue to operate as flexibly as appropriate during this current auditing season, while performing our statutory responsibilities – enshrined in the State’s Constitution and built on by other Acts of Parliament – to ensure the public sector continues to demonstrate a commitment to good governance and accountability where public money is concerned, throughout all operating contexts. Critical to our role in the response will be full and free access to all relevant information.

Building public sector governance capability

Outside of COVID-19, issues around public sector fraud and misappropriation featured heavily in our work, and increasingly so after the November 2019 arrest of a former senior executive with the Department of Communities. Such cases serve as reminders of the frailty of some aspects of human nature, and the importance of strong integrity frameworks. As senior leaders of public institutions, we have a duty to build governance capability, including training our staff at all levels to “know what good looks like”, and encouraging people to speak up if they observe patterns of behaviour and actions at any level that are contrary to the public interest.

The Government has allocated $8.9 million over 2019-20 to 2022-23 to enable our office to establish a new Forensic Audit business unit to conduct targeted investigations of matters related to public money, including contract management systems.

Set-up of the Forensic Audit unit is proceeding well and already supporting further data analytic capability across our audit teams, allowing them to perform deeper analysis of vast datasets to identify red flags and vulnerabilities in systems and controls.

In June 2020, we held our first forum for State sector audit committee chairs to support entities in building governance capability to manage risk and lines of assurance internally. This event coincided with the launch of our Better Practice Guide for public sector audit committees, a document I am sure will have lasting value.

OAG focus

In light of the challenges the year presented, our continued financial auditing and the 28 reports we delivered to Parliament, with several others placed on hold to assist entities, is a credit to the adaptability and determination of all OAG employees.

This flexibility was underpinned by our Crisis Management Team, which was expanded beyond our Executive team to include other key senior leaders. It met at least weekly in April and May to identify and mitigate health and operational risks across the business and maintain regular lines of communication to all employees and key stakeholders during the height of the COVID-19 response. Our IT team also ensured our remote access infrastructure enabled a fairly seamless
transition to working from home arrangements for our already mobile audit workforce. While our office never closed, all employees were well-supported with remote working capability. The IT team, along with their colleagues in Business Services, performed this work while continuing on with a significant technology transformation to help us deal more efficiently with our increased auditing demands.

I wish to acknowledge my exceptionally hardworking executive team and all our employees for the calm dedication I have witnessed across the office as we navigated a year of profound challenges, both professional and personal. It is truly a privilege to lead such an organisation in serving the Parliament and people of WA.

I would also like to thank the Parliament, in particular the members of the Public Accounts Committee and the Estimates and Financial Operations Committee, for their ongoing support.

The effects of the response to this pandemic will be felt by all West Australians for years to come, as all sectors recover, rebuild and learn from its impact. The profound shock to our economy, our public infrastructure and systems of government will provide important lessons, as well as opportunities to strengthen them in future.

Regardless of the challenges ahead, my office’s duty will remain one of maintaining awareness of the importance of accountability, transparency and probity within the public sector as a foundational safeguard to a thriving and prosperous society.

Caroline Spencer
Auditor General

“I wish to acknowledge my exceptionally hardworking executive team and all our employees for the calm dedication I have witnessed across the office as we navigated a year of profound challenges, both professional and personal.”
Year in review

About us

- 158 employees
- 47% who are from culturally diverse backgrounds
- 7% of our time is spent on professional development

We audited

State government entities

- 170 entities and subsidiaries
- employing over 146,000 people
- managing $231 billion in assets

Local government entities

- 148 local government entities
- including the financial statements of 112 local government entities for the second year of the financial audit transition
- employing over 32,000 people
- spending nearly $8.2 billion on service delivery and infrastructure
- managing $45 billion in assets

We delivered

- 28 reports to Parliament
- including 14 opinions on ministerial notifications
- 275 opinions on financial statements
- 163 certifications of financial and statistical information
Highlights 2019-2020

Members of Parliament, employees and special guests came together at a special event at Parliament House in December 2019 to celebrate 190 years of the Auditor General in WA (page 20).

We established 2 new business units: Forensic Audit and Technical and Audit Support. Following a request and additional funding from Parliament, our Forensic Audit team was created to conduct targeted forensic audits using data analytics (page 52). A restructure created our Technical and Audit Support team, which provides specialist audit advice (page 40).

Two of our performance audits were recognised in the inaugural Australasian Council of Auditors General IMPACT awards, winning the communication and innovation categories (page 54).

In June 2020, we hosted our first Audit Committee Chair Forum, an opportunity for chairs to meet and discuss audit issues and trends, and to consider emerging risks affecting the public sector (page 50). At the forum we launched our first standalone better practice guide on public sector audit committees (page 79).

Significant issues 2020-2021

Due to COVID-19, we are alert to an increased risk of inefficiency, waste, fraud and other unforeseen outcomes, and expect delays in some entities’ financial audits.

A key focus is to continue to strengthen and build productive relationships with the local government sector. Our local government financial audits continue to take more time than similarly-sized State government audits, and even more so as local government entities respond to the impact of COVID-19 on their finances and communities.

COVID-19 has impacted our ability to progress planned recruitment, on-boarding and training of employees in a number of business units.

We expanded our general computer controls audit program to include the local government sector for the first time. As entities employ remote working technology, deliver more public services online, and system and security changes are made in haste, these audits will take on increased significance.

We continue to encounter some difficulty accessing documents subject to claims of public interest immunity, legal professional privilege or Cabinet confidentiality. These are necessary to support audit opinions, including opinions on ministerial notifications under section 82 of the Financial Management Act 2006.
Our performance

Financial performance

Full details of our financial performance are presented in the financial statements from page 94. The following summarises our actual versus target financial performance for 2019-20.

<table>
<thead>
<tr>
<th></th>
<th>2019-20 Actual $’000</th>
<th>2019-20 Target $’000</th>
<th>Variance $’000</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost of services</td>
<td>31,948</td>
<td>34,779</td>
<td>(2,831)</td>
<td>✓</td>
</tr>
<tr>
<td>Total income other than State Government</td>
<td>23,349</td>
<td>25,751</td>
<td>(2,402)</td>
<td>X</td>
</tr>
<tr>
<td>Net cost of services</td>
<td>8,599</td>
<td>9,028</td>
<td>(429)</td>
<td>✓</td>
</tr>
<tr>
<td>Net increase/decrease in cash and cash equivalents</td>
<td>1,321</td>
<td>(349)</td>
<td>1,670</td>
<td>✓</td>
</tr>
<tr>
<td>Total equity</td>
<td>14,780</td>
<td>14,374</td>
<td>(406)</td>
<td>✓</td>
</tr>
<tr>
<td>Number of approved full-time equivalent (FTE)</td>
<td>153</td>
<td>173</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Key elements of our financial performance

A number of reasons contributed to the variance in total income other than State Government including a lower than estimated stage of completion of financial audits given impediments of COVID-19, our decision to freeze the majority of audit fees and a similar underspend in total cost of services, resulting in favorable impacts on audit fee recoveries.

The underspend in total cost of services is primarily due to salary savings as a result of higher than expected attrition across OAG, less recruitment and below targeted contractor expenses due to a lower than estimated stage of completion of financial audits.

Key effectiveness performance

Our effectiveness indicator measures the extent to which we have informed Parliament about public sector accountability and performance against 4 specified categories:

- Service delivery – focused on the direct provisions of government services to the public and other entities
- Economic development – focused on government operations that support the economic advancement of WA and its interaction with the private sector
- Social and environment – focus on government operations that support the social and environmental wellbeing of the people of WA
- Governance – focused on entities’ internal operations such as accountability and compliance with legislation.

<table>
<thead>
<tr>
<th>Report category</th>
<th>2019-20 Actual</th>
<th>2019-20 Target</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service delivery</td>
<td>5</td>
<td>8</td>
<td>X</td>
</tr>
<tr>
<td>Economic development</td>
<td>2</td>
<td>4</td>
<td>X</td>
</tr>
<tr>
<td>Social and environment</td>
<td>1</td>
<td>7</td>
<td>X</td>
</tr>
<tr>
<td>Governance</td>
<td>20</td>
<td>12</td>
<td>✓</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>31</td>
<td>X</td>
</tr>
</tbody>
</table>

Table 2: Our effectiveness indicator

We did not achieve our overall report target for 2019-20 or the target in 3 of our 4 categories. While our topic selection process (page 55) aims to provide Parliament with advice and assurance across all categories, other factors play a significant role in our topic selection and for this reason our category targets may not always be met in any given year. We are also at times required to reallocate resources to opinions on ministerial notifications or other audits. During 2019-20, the reallocation of audit resources and placing of audits on hold to assist entities responding to COVID-19 resulted in a lower number of performance audit reports tabled.
We also maintain a 3-year target to assist when developing the forward audit plan, 2019-20 was the second year of our current 3-year cycle. To achieve our 3-year target we will need to deliver the remaining reports in 2020-21.

<table>
<thead>
<tr>
<th>Report category</th>
<th>3-year target</th>
<th>2018-19 tabled</th>
<th>2019-20 tabled</th>
<th>2020-21 report target to meet 3-year target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service delivery</td>
<td>21</td>
<td>2</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Economic development</td>
<td>12</td>
<td>1</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Social and environment</td>
<td>12</td>
<td>3</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Governance</td>
<td>45</td>
<td>23</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>29</td>
<td>28</td>
<td>33</td>
</tr>
</tbody>
</table>

Table 3: 3-year report targets

Full details of our key effectiveness performance including 5-year trend data are available on page 122.

Key efficiency performance

Our efficiency indicators measure the overall efficiency in delivering our public sector auditing service. Our efficiency indicators report our costs (relative to government expenditure) and the average number of days taken to issue our opinions.

<table>
<thead>
<tr>
<th>Efficiency indicator</th>
<th>2019-20 Actual ($)</th>
<th>2019-20 Target ($)</th>
<th>Variance ($)</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total audit cost per million dollars of gross government expenditure</td>
<td>476</td>
<td>661</td>
<td>(185)</td>
<td>✓</td>
</tr>
<tr>
<td>Attest (financial) audit cost per million dollars of gross government expenditure</td>
<td>369</td>
<td>484</td>
<td>(115)</td>
<td>✓</td>
</tr>
<tr>
<td>Performance audit cost per million dollars of gross government expenditure</td>
<td>107</td>
<td>177</td>
<td>(70)</td>
<td>✓</td>
</tr>
<tr>
<td>Average number of days taken after balance date to issue financial audit opinions</td>
<td>67.3</td>
<td>68</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Table 4: Our efficiency indicators

Our total audit cost is broken into our 2 audit areas: financial and performance auditing. The variance in total, attest and performance audit cost was mainly due to our audit fees, appropriation and expenditure limits not growing at the same rate as the overall 30% increase in gross government expenditure.

Full details of our key efficiency indicators including 5-year trend data are available on page 123.
State government entities work together to achieve the 4 high level goals and broader strategic outcomes of the State Government. The services and activities they deliver are linked to the goals and contribute to achieving the Government outcomes.

Through our desired outcome of ‘an informed Parliament on public sector accountability and performance’ we provide oversight of the Government’s achievement of its 4 goals including responsible financial management and better service delivery.

### Government goal | Outcome
--- | ---
Sustainable finances | Responsible financial management and better service delivery
Future jobs and skills | Grow and diversify the economy, create jobs and support skills development
Strong communities | Safe communities and supported families
Better places | A quality environment with liveable and affordable communities and vibrant regions

**Table 5: 4 State Government goals**

Our desired outcome and the service we provide reflects this:

<table>
<thead>
<tr>
<th>Desired outcome against Government goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>An informed Parliament on public sector accountability and performance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public sector auditing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key effectiveness indicator</th>
<th>Key efficiency indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>The extent that the OAG is effective in informing Parliament about public sector accountability and performance is measured by the number of tabled reports compared to target for each of the following categories of audit matter:  • service delivery  • economic development  • social and environment  • governance.</td>
<td>The OAG is responsible for undertaking the external audit of the Western Australia public sector. This is done through audits of controls, financial statements, key performance indicators, efficiency and effectiveness, and reporting the results to Parliament. Efficiency is measured by the:  • audit cost per million dollars of gross government expenditure  • days taken to issue financial audit opinion.</td>
</tr>
</tbody>
</table>

**Table 6: Performance management framework**
Enabling legislation

The Governor appoints the Auditor General under the Auditor General Act 2006. The OAG is a department of the public sector under the Public Sector Management Act 1994. As the accountable authority, the Auditor General must discharge responsibilities under the Financial Management Act 2006.

Key legislation

We have processes and controls in place to ensure that we comply with all State and Commonwealth legislation and regulations that affect our activities, including laws affecting entities and activities subject to audit by the Auditor General. The following laws have a direct impact on our operations:

Auditor General Act 2006
Constitution Act 1889
Disability Services Act 1993
Equal Opportunity Act 1984
Financial Management Act 2006
Industrial Relations Act 1979
Local Government Amendment (Auditing) Act 2017
Minimum Conditions of Employment Act 1993
Occupational Safety and Health Act 1984
Public Interest Disclosure Act 2003
Public Sector Management Act 1994
Salaries and Allowances Act 1975
State Records Act 2000
State Supply Commission Act 1991
Workers' Compensation and Injury Management Act 1981.
Organisational structure
(at 30 June 2020)

Caroline Spencer
Auditor General

Sandra Labuschagne
Deputy Auditor General and Chief Operating Officer

Don Cunningham
Assistant Auditor General
Conducts audits of financial statements, controls and performance indicators, and issues audit opinions. Summarises the results of these audits in a report to Parliament. Also performs focus area audits.

Jordan Langford-Smith
Acting Assistant Auditor General
Conducts performance audits, information systems audits and opinions on ministerial notifications.

Aloha Morrissey
Assistant Auditor General
Conducts audits into the efficiency and effectiveness of public sector entities' programs and performance.

Glyn Lewis
Assistant Auditor General
Conducts forensic audits into targeted aspects of public sector financial management and probity to ensure activities are robust, fit for purpose and free from undue influence.

Patrick Arulsingham
Acting Assistant Auditor General
Provides accounting, audit and governance technical advice, assists in the development of standards by standard setting bodies, monitoring audit quality, development of better practice guides and risk management.

Sadie Godfrey
Assistant Auditor General
Provides workforce and professional development, financial management, information technology, administration, information management, parliamentary liaison, strategic planning and communications.

FINANCIAL AUDIT
INFORMATION SYSTEMS AND PERFORMANCE AUDIT
PERFORMANCE AUDIT
FORENSIC AUDIT
TECHNICAL AND AUDIT SUPPORT
BUSINESS SERVICES

Organisational structure
Caroline Spencer
BBus, FCPA, FCA, GAICD, FGIA, FCIS

Caroline has experience in financial and performance audit across jurisdictions and sectors, and prior to her appointment led a professional services firm specialising in public sector audit and governance. Caroline has held board and audit committee roles in various jurisdictions and sectors. Caroline has a passion for promoting accountability and continuous improvement across the public sector and the audit profession – to enhance trust and performance for the benefit of the communities we serve.

Don Cunninghame
BCom, FCPA, CISA

Don was appointed Assistant Auditor General in 2008. He joined the OAG in 1992 after an information systems audit career mainly in the internal audit divisions of large insurance companies. Don has worked in our information systems audit branch, headed our corporate services division, and was our chief finance officer and a director of financial audit.

Aloha Morrissey
BBus, Grad Dip Bus Admin, CPA

Aloha was appointed Assistant Auditor General in June 2019. She joined the OAG in 2002 and was appointed as a Director in the Information Systems and Performance Audit business unit in 2014. Prior to joining the OAG, Aloha held a range of investigation and audit positions with the Australian Securities and Investments Commission and the Australian Taxation Office.

Patrick Arulsingham
BCom, FCA, CPA, JP

Patrick has been acting Assistant Auditor General since January 2020. He joined the OAG in 2003 as a Principal Auditor in our Financial Audit business unit. Prior to this, Patrick worked as a financial auditor at one of the big 4 firms.

Sandra Labuschagne
BCompt, Hons BCompt CA (SA)

Sandra was appointed Deputy Auditor General in December 2018 and designated as Chief Operating Officer in June 2020. She joined the OAG in 2012 and has extensive public and private sector auditing experience in South Africa, New Zealand and Australia.

Jordan Langford-Smith
LLB, BCom, MIPA

Jordan has been acting Assistant Auditor General of our Information Systems and Performance Audit business unit since August 2019. He joined the OAG in 2013 as a Director in our Financial Audit business unit. Prior to this, Jordan worked at the ACT Audit Office as a financial auditor.

Glyn Lewis
MPub&IntLaw, GradDipExecLead, GradCertAppMgt, GradCertFinMgt, BBus(Mgt), DipExtMgt

Glyn joined the OAG in 2020 on a placement from the Australian Federal Police (AFP). He was previously based in Vanuatu as AFP Mission Commander to build law enforcement and justice capability. Prior to this, Glyn held positions as the AFP’s National Coordinator for Cybercrime and was seconded to INTERPOL as the Director of Specialised Crime and Analysis.

Sadie Godfrey
MBA (Curtin), Assoc Dip Bus (Accounting)

Sadie was appointed Assistant Auditor General in 2008. She has diverse and extensive experience in corporate management, working in the areas of education and industrial relations. Sadie was previously Director of Corporate Services at the Department of the Registrar, Western Australian Industrial Relations Commission before joining the OAG.
Our strategic plan and direction

Our strategic plan centres around 4 key areas of the business that we have identified as important in achieving our vision and mission.

Our people working with our tools with the right approach will deliver our products to fulfil our outcome:

Work that makes a difference and helps to improve the public sector.

We have identified that we need our people to be motivated, innovative, collaborative, accountable, valued, skilled and knowledgeable. Our tools are vital in supporting our people to achieve our goals. Our tools need to be robust, efficient, user-friendly, flexible, agile, reliable and compliant. Our approach needs to be consistent, fair and balanced, independent, transparent, pragmatic, professional and contemporary.

We have cascading internal plans which are integrated with our strategic plan to ensure that all areas of the business are working in the same direction to deliver common goals.

Our full strategic plan is outlined in Appendix 1 (page 134).

As this is the final year of our strategic plan, the Executive Management Group (Executive) will meet towards the end of 2020 to finalise a new 5-year strategic plan. To prepare for that and inform those discussions, Executive recently held a number of targeted strategic planning information gathering workshops.

One workshop focused on strategic workforce planning. We looked at how we can attract the skills we need going forward, considered the use of cadetships (page 26) and external training programs and growing skills organically within the office. Options for building capability include recruiting specialised skills so that key capabilities can be applied and shared via mentoring or other training.

We held strategic planning workshops for each performance audit business unit and discussed the forward audit program and what our priorities will be, with a focus on audits that create value for the public sector. Also how our new forensic audit function will value-add to existing work.

We also evaluated the effect of significant changes including our new Executive team members, COVID-19 and the continuing roll-in of our local government mandate; and reviewed our desired outcomes and strategic direction as well as our key internal plans that support the strategic plan.

Looking forward, in November, Executive will bring together this work and the outcomes of the workshops to develop a relevant and contemporary strategic plan that will guide us to deliver our desired outcome.
**Our Vision**
Serving the public interest by an informed Parliament and community

**Our Mission**
To help improve public sector performance and accountability by reporting independently to Parliament and entities

**Our Values**

**Integrity**
We conduct our business in an independent, professional and ethical manner. We apply an open, honest and fair approach to our stakeholders.

**Quality**
We provide credible work that makes a difference. We take pride in our work and strive to deliver above expectations, using continuous improvement opportunities to improve our efficiency and effectiveness.

**Respect**
We value the contribution of our people, our clients and the community, and encourage a collaborative approach to our work.

**Our System**

**Our People**
Motivated
Innovative
Collaborative
Accountable
Valued
Skilled
Knowledgeable

**Our Tools**
Robust
Efficient
User-friendly
Flexible
Agile
Reliable
Compliant

**Our Approach**
Consistent
Fair and Balanced
Independent
Transparent
Pragmatic
Professional
Contemporary

**Our Products**
Value for money – Timely – Relevant – Accurate – Quality – Innovative

**Outcomes**
Work that makes a difference and helps to improve the public sector

Figure 3: The OAG Strategic Plan 2016-2020
This year we celebrated 190 years of public auditing in Western Australia.

The origins of the Auditor General date back to the first months of settlement of the Swan River colony with Captain Stirling commanding a Board of Council and Audit to open on 12 August 1829.

The office, its independence, and powers of the Auditor General have been strengthened and expanded over the last 190 years to meet the changing needs and expectations of the community and the Parliament, and to reflect the nature of the public sector that is audited.

While the largest body of work remains focused on whether public money is used for intended and authorised purposes, broader aspects of performance are also audited. Today, the Auditor General reports to the Parliament through our oversight committees and directly by presenting audit reports for tabling in Parliament.

We celebrated the significant milestone with an event for employees and special guests at Parliament House in December 2019. Dr Richard Walley OAM presented a Welcome to Country and spoke of governance systems including those in place before Captain Stirling arrived. The Premier, the Leader of the Opposition, committee chairs and other members of Parliament spoke about the value of the OAG’s work. The Auditor General also spoke about the history of the office and our direction for the future. A souvenir program given out at the event is available on our website at www.audit.wa.gov.au/190th-celebration.

Throughout this annual report we continue to celebrate with special pages dedicated to photos, stories and recognising the changes of the past 190 years.
Figure 5: Financial auditors Aram and Punitha

Figure 6: Auditor General Caroline Spencer (centre) with (L-R), former Deputy AG Glen Clarke, former AG Colin Murphy, former AG Des Pearson and Deputy AG Sandra Labuschagne

Figure 7: Performance auditors Andrew and Jeremy, Assistant Auditor General Financial Audit Don Cunningham, performance auditor Gareth and former Auditor General Des Pearson

Figure 8: Performance auditors Justin, Adam, Matthew and Jacqueline