



THE AUDITOR-GENERAL
ANNUAL REPORT
2005-2006



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<http://www.anao.gov.au>



The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

7 September 2006

Dear Mr President

Dear Mr Speaker

In accordance with section 28 of the *Auditor-General Act 1997*, I present to the Parliament my report on the operations of the Australian National Audit Office for the year ended 30 June 2006.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's Homepage—<http://www.anao.gov.au>.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian McPhee', written in a cursive style.

Ian McPhee
Auditor-General

HIGHLIGHTS

Highlights for 2005–2006 are set out below.

- The Australian National Audit Office (ANAO) delivered a comprehensive program of financial and performance audits and related products to inform the Parliament and the Government about public sector administration and performance.
- We made 237 recommendations in our performance audit reports to improve agency performance and accountability, of which 235 (99 per cent) were agreed or agreed with qualification.
- We continued to work closely with Parliamentary committees, particularly the Joint Committee of Public Accounts and Audit, to assist with their inquiries.
- Our client surveys again provided very positive feedback on the work of our Assurance and Performance audit services.
- We continued to invest in resources and tools to enhance the coverage and quality of financial statements audits, including the purchase and implementation of new audit software.
- A new three year Workplace Agreement was negotiated and accepted by over 80 per cent of staff who voted.
- We achieved IT security certification (I-RAP) for the ANAO network – a first in the APS.
- We continued to host visitors from many countries as part of our commitment to assisting with the development of the auditing profession internationally. We also commenced a three year project funded by AusAID to develop the capacity of the Indonesian Board of Audit in the areas of financial and performance audit.

AREAS OF FOCUS FOR THE COMING YEAR

The major areas of focus for the coming year are set out below.

- Delivery of a range of timely and relevant products on topics that provide the greatest opportunity for improvement in administration across the Australian Public Service.
- Identification of initiatives to improve strategies for the retention and attraction of staff.
- Review of our business performance with a view to improving the way we operate and, in the longer term, reducing our reliance on contractors in auditing public sector agencies and authorities in order to improve the retention of our corporate knowledge.
- Assessment of our business priorities in light of the rising costs of running our business that increases over the period of the forward estimates.
- Implementation of our Workforce Plan to optimise our work environment.
- Review of our performance indicators to ensure they support business directions.
- Implementation of our Information Technology Strategic Plan which will provide new systems to facilitate a range of audit and audit administrative processes.

CONTENTS

LETTER OF TRANSMITTAL	iii
HIGHLIGHTS	v
AREAS OF FOCUS FOR THE COMING YEAR	vi
SECTION 1: FOREWORD BY THE AUDITOR-GENERAL	1
Contributing to Better Public Administration	1
Role and Responsibilities	2
Our Audit Products	2
Financial Statement Audits	3
Performance Audits	4
Contribution to the Parliament	5
Better Practice Guides	6
Monitoring Our Performance	6
Challenges	7
To Conclude	8
SECTION 2: REPORT OVERVIEW	9
The Auditor-General's Role and Responsibilities	9
Vision	10
Organisation	11
The ANAO's Outcome-Output Framework	12
Financial Summary	13
Resources for Outcomes	14
SECTION 3: REPORTING ON PERFORMANCE	17
Australian National Audit Office	17
2005-2006 Portfolio Budget Statements Scorecard	18
2005-2006 Business Plan Scorecard	20
Output Group 1	21
Performance Audit Services	21
Performance Audit Reports	21
Performance Audit Outcomes by Themes	23
Inclusion of Agency Comments in Audit Reports	25
Performance	26
Other Audit and Related Products	27
Contribution to Outcome 1—Improvement in Public Administration	27
Client Survey	27
Contribution to the Parliament	28
Contribution to Public Sector Entities	31

Output Group 2	33
Information Support Services	33
Assistance to Parliament	33
Better Practice Guides (BPGs)	33
Performance	33
Increasing Awareness of BPGs and Related Products	35
National and International Representation	35
Client Seminars and Advice	37
Contribution to Outcomes	38
Output Group 3	39
Assurance Audit Services	39
Financial Statement Audit Reports	39
Financial Statement Audit – Period Ended 30 June 2005	39
Interim Financial Statement Audit – Period Ended 30 June 2006	41
Control Environment	42
Information Technology Systems	42
Control Procedures	44
Interim Audit Conclusions	45
Audit Methodology	46
Client Survey	46
Performance	47
Audit Fees	49
Business Support Process (BSP) Audits	49
Protective Security Audits	50
Other Attest Reports	51
Contribution To Outcome 2—Assurance	51
Financial Statement Audit Opinions	51
Parliamentary Interest	53
Developments in the Auditing Profession	53
Quality Assurance	54
SECTION 4: MANAGEMENT AND ACCOUNTABILITY	55
Corporate Governance	55
Executive Board of Management (EBOM)	55
Audit Committee	56
Information Strategy Committee	57
Remuneration Committee	57
Strategic Planning Framework	58
Maintenance of Appropriate Ethical Standards	60
External and Internal Scrutiny	61
External Audit	61
Internal Audit	61
Decisions by Courts and Tribunals	62
Commonwealth Ombudsman	62

THE AUDITOR-GENERAL ANNUAL REPORT 2005-2006

Management of Human Resources	62
Attraction and Retention of Staff	63
ANAO Workplace Agreement 2006-2009	64
SES Remuneration	66
Performance Pay	66
Learning and Professional Development	66
Staff Seminar Series	67
Secondment/Exchange Program	67
Undergraduate Program and ICAA Achievers Program	68
Professional Qualifications and Representation	69
Graduates	71
Awards and Recognition	71
Workplace Diversity	73
Occupational Health and Safety (OH&S)	73
Other Management Issues	75
Consultancy Services	75
Major Competitive Tendering and Contracting Activities	75
Recruitment Advertising	76
Freedom of Information	76
Environmental Protection and Biodiversity Conservation	76
Service Charter	77
Discretionary Grants	78
Assessment of Effectiveness of Assets Management	78
Assessment of Purchasing Against Core Policies and Principles	78
Emergency and Business Continuity Plans	78
SECTION 5: APPENDICES	79
Appendix 1: ANAO Staffing Overview	81
Appendix 2: 2005-2006 Financial Results Commentary and Financial Statements	85
2005-2006 Financial Results Commentary	86
Detailed Analysis	87
ANAO 2005-2006 Financial Statements	91
Appendix 3: Audit Reports	137
Appendix 4: Main Issues Raised in Performance Audit, Business Support Process (BSP) Audit and Protective Security Audit Reports Tabled in 2005-2006	141
Appendix 5: Addresses and Papers by the Auditor-General and ANAO Senior Officers	155
Appendix 6: Procurement Activities	158
Appendix 7: Contact Directory	163
Appendix 8: Compliance Index	165
SECTION 6: ABBREVIATIONS	169
SECTION 7: INDEX	175

LIST OF FIGURES

Figure 1:	Organisation and senior management structure as at 1 July 2006	11
Figure 2:	The ANAO's Outcome-Output framework	13
Figure 3:	Number of performance audit reports	26
Figure 4:	Agreement to recommendations in performance audit reports	31
Figure 5:	Number of BPGs produced	34
Figure 6:	Number of outputs from the financial statement audit process	47
Figure 7:	Timeliness of issuing audit opinions	48
Figure 8:	Percentage of unqualified opinions	52
Figure 9:	Strategic planning framework	58
Figure 10:	ANAO values and behaviours	61
Figure A2-1:	Operating expenses	87
Figure A2-2:	Operating revenue	88

LIST OF TABLES

Table 1:	Financial resources summary	14
Table 2:	Resources for Outcome 1	15
Table 3:	Resources for Outcome 2	16
Table 4:	Summary of performance assessment rating for the period ending 31 October 2005	65
Table 5:	Summary of staff secondments and exchanges during 2005-2006	68
Table 6:	Summary of studies completed by staff members	69
Table 7:	Details of advertising expenditure	76
Table A1-1:	Staffing profile as at 30 June 2006	81
Table A1-2:	ANAO paid operative staff (employed under the Public Service Act 1999) as at 30 June 2006	81
Table A1-3:	Paid full-time, part-time and non ongoing staff as at 30 June 2006	82
Table A1-4:	Analysis of workplace diversity groups within salary levels 2005-2006	82
Table A1-5:	Details of gains and losses	83
Table A1-6:	Expenditure on staff training	83
Table A1-7:	Basis of employment of staff	83
Table A1-8:	Performance payments	83
Table A2-1:	Summary of financial performance	86
Table A2-2:	Administered funds	89
Table A6-1:	List of consultancy contracts let in 2005-2006 valued at \$10 000 or more	160
Table A6-2:	Consultancy contracts valued at \$10 000 or more 2003-2004 to 2005-2006	162