

Auditor-General's Office

EXPENSES AND APPROPRIATION SUMMARY

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
Output Group		
Audits	2 973	2 784
Total Operating Expenses	2 973	2 784
<i>less</i>		
DCIS Services Free of Charge	138	138
Agency Revenue (a)	148	152
<i>equals</i>		
Output Appropriation	2 687	2 494
Capital Appropriation		

Total 2004-05 Staffing: 4.5

(a) Operating Revenue less Output Revenue, Goods and Services Received Free of Charge and Profit/Loss on Disposal of Assets

Agency Profile

Overview

The Auditor-General's objective is to provide Parliament with an independent analysis of the financial information, internal controls and performance management systems in the Northern Territory public sector. The Parliament is able to use that information to better scrutinise the performance of Government administration.

Reports arising from audits are also issued to Accountable Officers to provide them with relevant information to assist them to meet their accountability requirements.

Strategic Issues

- Change audit approaches following the implementation of accrual accounting in Government and the transition to accrual-based reporting in the Treasurer's Annual Financial Statement.
- Adapt the approach to performance management system audits in response to agency reporting under the *Working for Outcomes* framework.
- Manage the delivery of the current three-year contracts for audit services and prepare for the next tender round, effective 1 January 2006.
- Continue to address the recommendations of the triennial strategic review of the Auditor-General's Office including establishing greater in-house audit capability.
- Focus information technology audits on key Treasury systems and on strategic systems at other agencies.

Budget Highlights

- The Office has revised its audit approach in response to the move to accrual accounting and to reporting under the *Working for Outcomes* framework. This will require further refinement.
- The number of audits to be undertaken will be in the range 105 to 115.

Outputs and Performance

OUTPUT COSTS

Output Group/Output	2003-04	2004-05	Variation
	Estimate	Budget	
	\$000	\$000	\$000
Audits	2 973	2 784	- 189
Audits	2 973	2 784	- 189
Total Operating Expenses	2 973	2 784	- 189

Key Variations

Actual audit activity is higher in 2003-04, reflecting increased audit work, significantly for Territory Insurance Office, the Government Owned Corporation and government business divisions. Also, there has been increased audit activity in 2003-04 on the amalgamation of the Charles Darwin University and Centralian College, and on the Treasurer's Annual Financial Statements.

Audits

The Auditor-General conducts audits in accordance with professional standards and practices so that information arising from audits can assist the Legislative Assembly in its scrutiny of the performance of Government administration.

Outcome

Members of the Legislative Assembly are better informed about the financial and other performance information provided by Government and, together with agency managers, better informed about the extent of compliance by agencies with internal control requirements.

Performance Measures	2003-04 Estimate	2004-05 Estimate
<i>Quantity</i>		
Audits ¹	113	100
<i>Quality</i>		
Audit tasks conducted in accordance with Australian Auditing Standards ²	100%	100%
Recommendations agreed by agency management	70%	75%
<i>Timeliness</i>		
Audit tasks completed in accordance with work program	90%	95%
Audit opinions issued within statutory timeframes	100%	100%
<i>Cost</i>		
Average cost per audit hour ³	\$181	\$160

¹ Audit tasks defined on the work program. Quantity of audits to be conducted for 2004-05 is lower, reflecting a change in the type of some audits rather than a reduced expected workload. Specifically, the Office is planning across-agency audits involving a number of agencies which will be recognised, for reporting purposes, as a single unit of work.

² Quarterly certification by the Auditor-General, supplemented by triennial certification by the Northern Territory Auditor-General's Office Strategic Reviewer.

³ Average cost is based on 14 085 hours purchased from Authorised Auditors and 2 400 hours provided directly from the Office.

Statement of Financial Performance

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
OPERATING REVENUE		
Taxation Revenue		
<i>Grants and Subsidies</i>		
Current		
Capital		
<i>Sales of Goods and Services</i>		
Output Revenue	2 687	2 494
Other Agency Revenue	148	152
Interest Revenue		
Miscellaneous Revenue		
Goods and Services Received Free of Charge	138	138
Profit/Loss on Disposal of Assets		
TOTAL OPERATING REVENUE	2 973	2 784
OPERATING EXPENSES		
Employee Expenses	615	655
<i>Administrative Expenses</i>		
Purchases of Goods and Services	2 219	1 990
Repairs and Maintenance	1	1
Depreciation and Amortisation		
DCIS Services Free of Charge	138	138
Other Administrative Expenses		
<i>Grants and Subsidies</i>		
Current		
Capital		
Community Service Obligations		
Interest Expense		
TOTAL OPERATING EXPENSES	2 973	2 784
NET OPERATING SURPLUS		
AGENCY REVENUE FOR APPROPRIATION PURPOSES	148	152
(Operating Revenue less Output Revenue, Goods and Services Received Free of Charge and Profit/Loss on Disposal of Assets)		

Auditor-General's Office

Statement of Financial Position

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
ASSETS		
Cash and Deposits	110	110
Receivables	81	81
Prepayments	3	3
Inventories		
Advances and Investments		
Land and Improvements		
Plant and Equipment		
Other Assets		
TOTAL ASSETS	194	194
LIABILITIES		
Deposits Held		
Creditors and Accruals	124	124
Borrowings and Advances		
Provisions	58	58
Other Liabilities		
TOTAL LIABILITIES	182	182
NET ASSETS	12	12
EQUITY		
<i>Capital</i>		
Opening Balance	26	26
Equity Injections/Withdrawals		
Reserves		
<i>Accumulated Funds</i>		
Opening Balance	- 14	- 14
Current Year Surplus/(Deficit)		
TOTAL EQUITY	12	12

Statement of Cash Flows

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Receipts		
Taxes Received		
<i>Grants and Subsidies Received</i>		
Current		
Capital		
<i>Receipts from Sales of Goods and Services</i>		
Output Revenue Received	2 687	2 494
Other Agency Receipts	148	152
Interest Received		
Total Operating Receipts	2 835	2 646
Operating Payments		
Payments to Employees	615	655
Payments for Goods and Services	2 220	1 991
<i>Grants and Subsidies Paid</i>		
Current		
Capital		
Community Service Obligations		
Interest Paid		
Total Operating Payments	2 835	2 646
NET CASH FROM OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing Receipts		
Proceeds from Asset Sales		
Repayment of Advances		
Sales of Investments		
Total Investing Receipts		
Investing Payments		
Purchases of Assets		
Advances and Investing Payments		
Total Investing Payments		
NET CASH FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing Receipts		
Proceeds of Borrowings		
Deposits Received		
<i>Equity Injections</i>		
Capital Appropriation		
Other Equity Injections		
Total Financing Receipts		
Financing Payments		
Repayment of Borrowings		
Finance Lease Payments		
Equity Withdrawals		
Total Financing Payments		
NET CASH FROM FINANCING ACTIVITIES		
Net Increase in Cash Held		
Cash at Beginning of Financial Year	110	110
CASH AT END OF FINANCIAL YEAR	110	110