

Auditor-General's Office

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
Output Group		
Audits	2 852	3 087
Total Expenses	2 852	3 087
Output Appropriation	2 530	2 621
Capital Appropriation		

2006-07 Staffing: 4.5

Agency Profile

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. Parliament is able to use that information to better scrutinise the performance of Government administration.

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

Strategic issues facing the agency in 2006-07 include:

- increasing efforts on compliance and performance management system audits; and
- ensuring that the audit function adapts appropriately in response to the significant changes that are occurring in Australian accounting, and auditing and assurance standards. These changes affect the nature and content of financial reports by public sector entities and the scope of audits.

Budget Highlights

Increased audit activity as a result of the implementation of the Australian equivalents to International Financial Reporting Standards. The new standards apply from 1 January 2005 and, for most entities, will affect the financial reports prepared for the 2005-06 financial year, with a material increase in audit effort likely during the first half of the 2006-07 year.

Outputs and Performance

Output Group/Output	2005-06	2006-07	Variation
	Estimate	Budget	
	\$000	\$000	\$000
Audits	2 852	3 087	235
Audits	2 852	3 087	235
Total Expenses	2 852	3 087	235

Key Variations

The variation in expenses is due to expanded audit activities and increased authorised auditors' rates.

Output Group: Audits

The Auditor-General is required to audit the Northern Territory's Public Account and other accounts, and may conduct audits of performance management systems.

These audits are required to be carried out having regard to recognised professional standards and practices. The Auditor-General reports upon the results of audits to both the Legislative Assembly and to agency Accountable Officers, with the objective of assisting the Assembly to fulfil its role of scrutinising the performance of Government administration, and to assist Accountable Officers in the management of their agencies.

The outcome of the audit process is that Members of the Legislative Assembly are better informed about the financial and other performance of Government and, together with agency managers, better informed about the extent of compliance by agencies with internal control requirements.

Performance Measures		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	Statutory audits ^{1,2}	98	70
	Other audits ^{2,3}	15	13
<i>Quality</i>	Audit tasks conducted in accordance with Australian Auditing Standards	100%	100%
	Recommendations agreed by agency management ⁴	85%	85%
<i>Timeliness</i>	Audit tasks completed in accordance with work program	95%	95%
	Audit opinions issued within statutory timeframes	100%	100%

1 Audits of the Northern Territory's Public Account and other accounts (includes companies, trusts and community councils) are pursuant to section 13 of the *Audit Act*.

2 Variation due to expansion of audit requirements under new Australian equivalents to the International Financial Reporting Standards and cost pressures associated with increases in authorised auditors' rates.

3 Performance management system audits undertaken pursuant to section 15 of the *Audit Act*, together with audits of acquittals on behalf of various external funding bodies.

4 Measure revised to be consistent with past achievements, which are not wholly within the Auditor-General's control and depend on factors such as the nature of the audit and the recommendation, the resources required to implement the recommendation and other circumstances that may preclude implementation in the short term.

Operating Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current		
Capital		
Output revenue	2 530	2 621
Sales of goods and services	167	311
Interest revenue		
Goods and services received free of charge	155	155
Gain(+)/loss(-) on disposal of assets		
Other revenue		
TOTAL INCOME	2 852	3 087
EXPENSES		
Employee expenses	683	696
Administrative expenses		
Purchases of goods and services	2 012	2 234
Repairs and maintenance	2	2
Depreciation and amortisation		
DCIS services free of charge	155	155
Other administrative expenses		
Grants and subsidies expenses		
Current		
Capital		
Community service obligations		
Interest expense		
TOTAL EXPENSES	2 852	3 087
NET SURPLUS(+)/DEFICIT(-)		

Balance Sheet

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
ASSETS		
Cash and deposits		
Receivables	152	152
Prepayments		
Inventories		
Advances and investments		
Property, plant and equipment		
Other assets		
TOTAL ASSETS	152	152
LIABILITIES		
Deposits held		
Creditors and accruals	358	358
Borrowings and advances		
Provisions	59	59
Other liabilities		
TOTAL LIABILITIES	417	417
NET ASSETS	- 265	- 265
EQUITY		
Capital		
Opening balance	- 74	- 231
Equity injections/withdrawals	- 157	
Reserves	1	1
Accumulated funds		
Opening balance	- 35	- 35
Current year surplus(+)/deficit(-)		
Accounting policy changes and corrections		
TOTAL EQUITY	- 265	- 265

Cash Flow Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current		
Capital		
Receipts from sales of goods and services		
Output revenue received	2 530	2 621
Other agency receipts	167	311
Interest received		
Total operating receipts	2 697	2 932
Operating payments		
Payments to employees	683	696
Payments for goods and services	2 014	2 236
Grants and subsidies paid		
Current		
Capital		
Community service obligations		
Interest paid		
Total operating payments	2 697	2 932
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		
Equity injections		
Capital Appropriation		
Other equity injections		
Total financing receipts		
Financing payments		
Repayment of borrowings		
Finance lease payments		
Equity withdrawals	157	
Total financing payments	157	
NET CASH FROM FINANCING ACTIVITIES	- 157	
Net increase(+)/decrease(-) in cash held	- 157	
Cash at beginning of financial year	157	
CASH AT END OF FINANCIAL YEAR		