

# Public Sector Accountability and the Role of the Auditor-General

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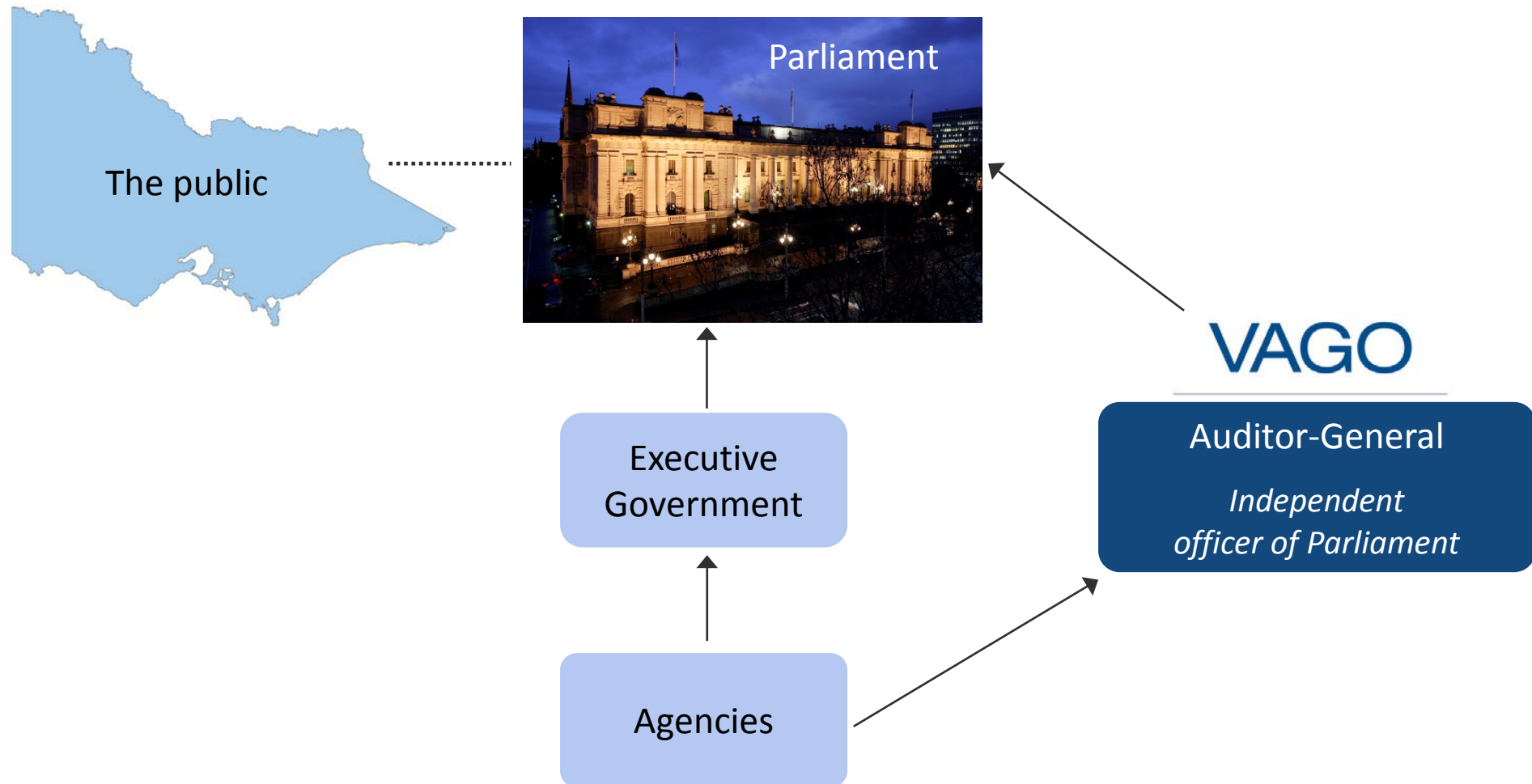
Seminar 1

2 September 2013

# Today's presentation

- The Public Sector
- The Audit Mandate
- Future Challenges

# External independent auditor of the public sector



# The Public Sector

- Around 550 entities in Victoria
  - Departments
  - Statutory bodies
  - Local government
- Arguably Australia's third largest business!!
  - Revenue, \$60b+
  - Assets, \$200b+
  - 'Staff', approaching 300 000

# The Public Sector

- Audit and Accountability
  - What is accountability? ‘Reporting back to those who charged you with a responsibility’
- Important in both private and public sectors
  - Private, reporting to board and shareholders
- Why make the public sector accountable
  - Probity/integrity
  - Performance management
  - Democracy, inform Parliament

## The Public Sector

- Providing assurance to Parliament on the accountability and performance of the Victorian Public Sector
  - Auditing ‘in the public interest’ since 1851
  - Constitutional safeguards to assure independence
  - No executive authority to enforce recommendations
- Independent Officer of Parliament
  - Not subject to direction

## The Audit Mandate

- Financial audit – ‘how much’
  - Review the financial and non-financial performance statements of every agency each year
  - Report on the State’s estimated financial statements and annual financial report each year
- Performance audit – ‘how well’
  - ‘Determine’ whether an agency is achieving its objectives and are operating economically, efficiently and effectively
  - Not to ‘question’ merits of policy objectives

## Office Resourcing

- Approaching \$40M PA
- Approx 170 staff
- Financial audit
  - Accountant auditors
  - Approx 60% of effort
  - Audit Service Providers
- Performance audit
  - Multi disciplinary
  - Approx 40% of effort



# Audit Planning

- Annual Plan
  - One year + three forward years
- Financial Audit
  - Audit Strategy Document
- Performance Audit
  - Audit Specification

## Audit Deliverables

- Opinions and reports on financial and non financial reports
- Certifications
- Reports to Parliament
  - Five Sector Based reports on annual attest audits
  - Report on Annual Financial report of the State
  - Approx 30 Performance Audit Reports
- Annual Report

## Future Challenges

- Follow the dollar
- Collaborative across jurisdiction audits
- Parliamentary follow up
- Parliamentary oversight

## Discussion

- Further information
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