

VAGO

Victorian Auditor-General's Office  
*Auditing in the Public Interest*

# Annual Plan, 2007-08

Prepared pursuant to the  
requirements of section 7A of the *Audit Act 1994*.

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# Introduction

I am pleased to transmit to Parliament my 2007-08 annual plan, the first since my appointment as Auditor-General in October 2006. The plan outlines the proposed work program of my Office and resource requirements for the coming year. It has been prepared in accordance with the provisions of section 7A of the *Audit Act 1994*.

For the first time, I am including in the plan a prospective program of audits for the period 2008-09 to 2010-11. This program will be reviewed annually by my Office, in consultation with the Public Accounts and Estimates Committee, to ensure its continued relevance. This will likely result in changes to the prospective program.

My Office's annual report, prepared following the end of each financial year, will advise Parliament of my Office's performance against the plan.



DDR PEARSON  
*Auditor-General*  
20 June 2007



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# 1 Our mandate and outputs

## 1.1 Our mandate

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Provisions governing the appointment, independence and tenure of the Auditor-General, as Parliament's independent auditor of Victorian public sector agencies, are contained in the *Constitution Act 1975*. As an officer of Parliament, the Auditor-General fulfils an important constitutional safeguard with the legislative mandate to assess the administrative and financial performance of public sector agencies.

Under the *Audit Act 1994*, the Auditor-General undertakes both attest and performance audits. In regard to the former, the Auditor-General audits financial statements prepared by Victorian public sector agencies and issues audit reports. The Auditor-General must also provide an audit opinion on the Annual Financial Report of the State and review the Government's Estimated Financial Statements.

In addition, the Auditor-General audits non-financial performance indicators contained in the report of operations of local government and certain water bodies to determine whether they present fairly the agencies' performance. In 2006, for the first time the Office also audited the non-financial performance indicators of technical and further education institutes. The overall results of the audits of financial statements and performance statements are reported to Parliament.

The Auditor-General has the authority to carry out performance audits to establish whether public sector agencies use resources, including those provided to non-government bodies, economically, efficiently and effectively, and in compliance with all relevant legislation. The Auditor-General may also investigate instances of waste, probity or lack of financial prudence when undertaking audits under the Act.

Under Victoria's output management system, the level of resources allocated to the Office each year through the State's annual budget process is determined on the basis of outputs that we expect to deliver. Within this framework, our outputs are identified under 2 headings, namely:

- Output 1: Parliamentary reports and services
- Output 2: Audit reports on financial and performance statements.

A brief description of our activities within each output is presented in the following paragraphs. More detailed information on the nature of our planned products and services for 2007-08 is provided in Part 3 of this annual plan.

Figure 1A summarises the projected number of attest and performance audits to be undertaken in 2007-08 against each output.

**Figure 1A**  
**Projected outputs of the Victorian Auditor-General's Office, 2007-08**

Output	Attest audits		Performance audits
	<i>Audit opinions on financial statements, including the Annual Financial Report and the Estimated Financial Statement (a)</i>	<i>Audit opinions on non-financial performance indicators</i>	<i>Performance audits:</i> • <i>Efficiency, effectiveness and economy</i> • <i>Compliance and probity</i>
<b>Output 1: Parliamentary reports and services</b>	(b)(c) 3	(c)	13
<b>Output 2: Audit opinions on financial statements and non-financial performance indicators</b>	657	113	..

(a) Upon request, may include "Other audit services" and "Financial audit of an entity that is not an authority".

(b) Includes *Report on the State's Finances*.

(c) Includes *Report on the Results of Financial Statement Audits for Agencies with 30 June balance dates and other than 30 June balance dates* (2 separate reports).

### 1.1.1 Output 1: Parliamentary reports and services

#### Our various reporting products

It is through our reports that we directly inform Parliament, our primary client, on the results of our work. These reports are designed to provide Parliament with independent assurance on the adequacy of accountability and resource management practices in the public sector. Each year, we report to Parliament on matters arising from:

- our program of performance audits, including follow-up of earlier performance audit reports, addressing issues of effectiveness, efficiency and economy in the management of public resources, and compliance with relevant legislation
- our analysis and examination of the State's finances
- the results of annual audits of public sector agencies' financial and performance statements.

## The range of our other services

We complement our reporting products by providing a range of other services on behalf of Parliament. These services take the form of contributions to foster enhanced accountability and to develop the standard of resource management in the public sector. They include:

- advice and assistance to Parliament, including submissions to parliamentary committees on matters relevant to their inquiries
- responding to inquiries from Members of Parliament, government agencies and the public – some of which lead to the conduct of audits
- advice to central agencies and other public sector agencies in such areas as draft legislation, financial management proposals and the development of accountability frameworks
- guidance to public sector agencies, arising from our audit work, in specific areas of management, governance and accountability to support their improved future performance
- advice to external bodies on emerging developments associated with the public sector, including commentary on draft accounting and auditing pronouncements
- liaison with international delegations and interstate organisations
- certification of warrants authorising the expenditure of public funds by government.

In providing this range of services, we seek to use the skills and experience within our Office to encourage sustainable improvement in the management of public resources.

### 1.1.2 Output 2: Audit reports on financial statements and non-financial performance indicators

A core statutory responsibility of the Auditor-General is to undertake an annual examination of the financial and performance statements of departments and public bodies, including municipal councils, and to issue an audit report (audit opinion) on the fair presentation of those statements.

The main products from the exercise of this mandatory responsibility are the:

- provision of an audit report on the financial statements of public sector agencies and on the Government's Annual Financial Report
- furnishing of an audit report on non-financial performance indicators prepared by local government and certain water bodies, and technical and further education institutes
- preparation of a short-form report on the Government's Estimated Financial Statements for inclusion in its annual budget papers presented to Parliament
- issue of management letters conveying the findings of audits to audited agencies.

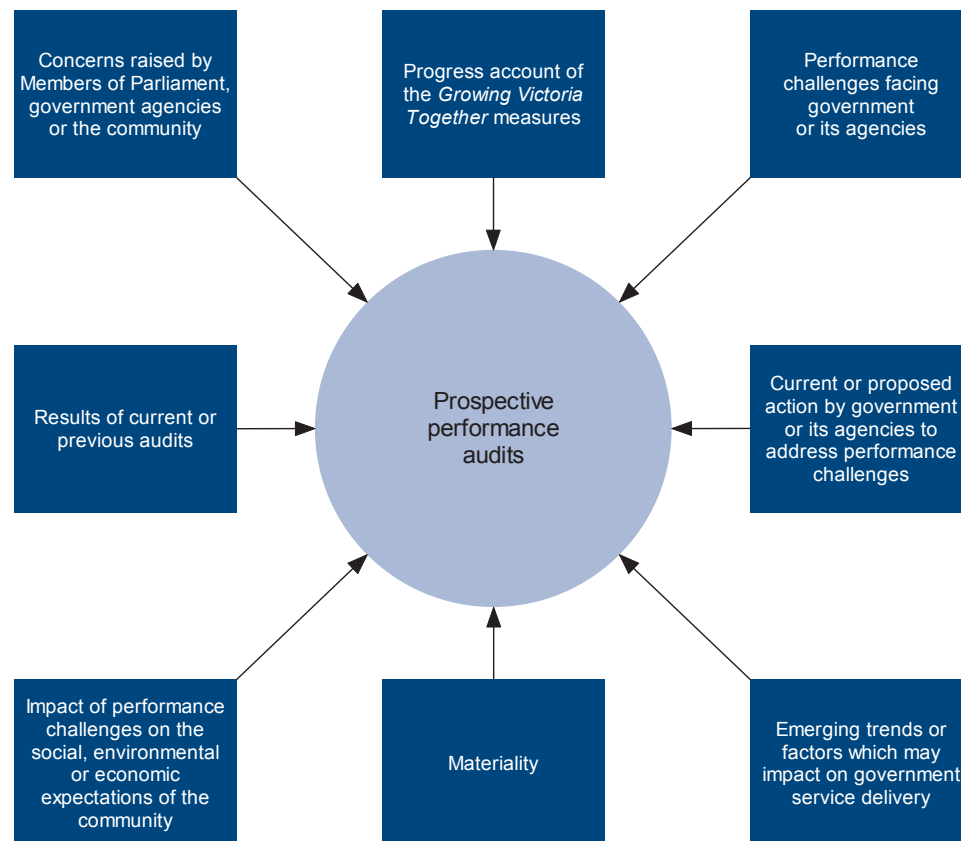
Under the *Financial Management Act 1994*, responsible ministers are required to furnish each year to Parliament audited financial and performance statements (where applicable) of agencies within their portfolios. While our audit reports expressed on these statements are issued in the first instance to ministers and audited agencies, their ultimate purpose is to provide independent assurance to Parliament on the quality and reliability of data communicated by agencies in their annual reports.

## 1.2 Selection of areas of prospective audit interest

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The selection of areas of prospective audit interest for performance audits is based on a framework which considers public sector performance against the Government's established vision or goals, through an environmental scanning process. Figure 1B is an overview of the factors taken into consideration by our Office to select and prioritise prospective performance audits.

**Figure 1B**  
**Factors considered during the selection of prospective performance audits**



The environmental scanning process focuses on emerging trends and directions, risks, challenges and other factors which may influence the achievement of the established vision and/or goals.

This scanning includes an assessment of:

- strategic influences or factors impacting on the performance and accountability of public sector agencies now and in the future, and action being taken by these agencies to mitigate these influences or factors
- emerging issues for the public sector, including any anticipated changes in service delivery methods into the future
- international and national trends in public sector practice
- results of current and previous audit work
- concerns raised by Parliament, agencies and the community regarding the performance of public sector agencies.

## *Our mandate and outputs*

As part of the identification of the prospective areas of audit interest, we identify and evaluate indicators of performance that relate to the key challenges and risks faced by public sector agencies. These challenges and risks include the growth and ageing of the population, increased urbanisation, the impact of climate change and higher expectations for government services by the community.

We also consider challenges and risks to the capability and resources of public sector agencies such as work force management, maintenance and replacement of infrastructure, including information and communication technology, and the increasing reliance on joined-up government service delivery mechanisms. Furthermore, the relevance and appropriateness of performance reporting across sectors also receives our attention.

The selection criteria used to prioritise areas of audit interest are risk and materiality based in financial and community impact terms.

For each prospective area of audit interest, the final audit approach will be determined on completion of detailed planning by our Office; a process requiring consultation with the Public Accounts and Estimates Committee. In addition, the Office will retain the capacity to respond to emerging or unforeseen issues and report on these to Parliament in an appropriate manner.



# 2 Areas of performance audit interest

## 2.1 Areas of performance audit interest, 2007-08

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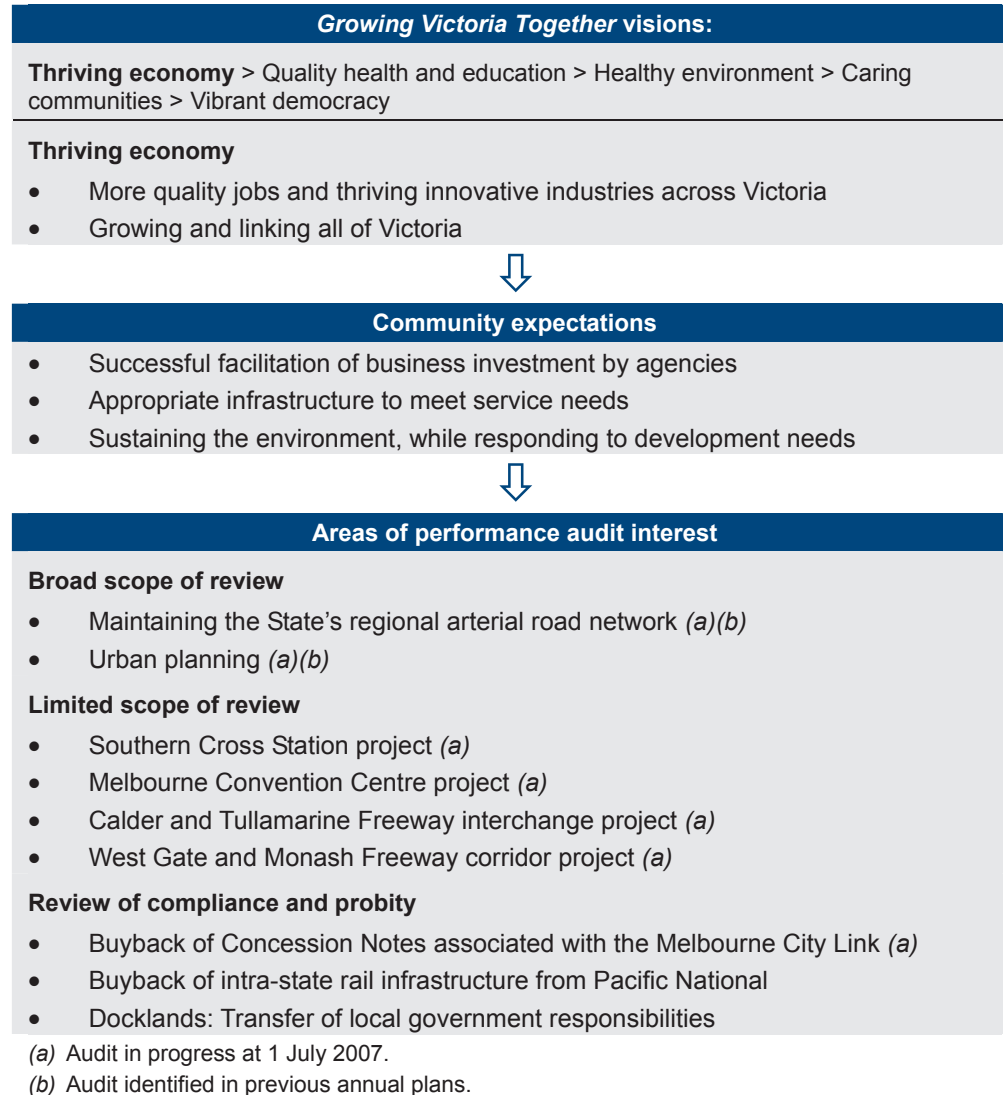
In this part of the annual plan, we show the areas of performance audit interest for 2007-08, and their links to relevant *Growing Victoria Together* visions and goals, which represents the Government's framework for priority setting, including legislation and spending decisions to 2010 and beyond. These visions and goals include:

- **Thriving economy** – Goals:
  - More quality jobs and thriving, innovative industries across Victoria
  - Growing and linking all of Victoria.
- **Quality health and education** – Goals:
  - High quality, accessible health and community services
  - High quality education and training for lifelong learning.
- **Healthy environment** – Goals:
  - Protecting the environment for future operations
  - Efficient use of natural resources.
- **Caring communities** – Goals:
  - Building friendly, confident and safe communities
  - A fairer society that reduces disadvantage and respects diversity.
- **Vibrant democracy** – Goals:
  - Greater public participation and more accountable government
  - Sound financial management.

The proposed areas of performance audit interest encompass 3 levels:

- prospective performance audits with a *broad scope* of review of effectiveness, economy and efficiency
- prospective performance audits with a *limited scope* of review of aspects of effectiveness, economy and efficiency
- prospective performance audits which review compliance and probity.

## 2.2 Performance audits relating to a *Thriving economy*



### Background to performance audits

#### *Maintaining the State's regional arterial road network*

VicRoads is responsible for the management and maintenance of Victoria's regional arterial road network, which provides the State's principal routes for private and commercial travel, and on-road public transport. The audit will assess how well the State's regional arterial road infrastructure is maintained to meet safety and amenity standards.

### *Urban planning*

An effective land-use planning system is needed to protect the physical and cultural amenity of communities, natural resources and the environment while responding to developmental needs. Mounting pressure has been placed on the planning approval process by a persistently strong property market and strategic planning initiatives such as *Melbourne 2030*. These planning initiatives have created new demands for housing strategies, growth area and activity centre plans, which add to the pressures placed on the tools and available resources of the planning system. The audit will examine the planning and development approval process in metropolitan councils and compliance with relevant urban planning requirements.

### *Southern Cross Station project*

Following the completion of construction of the Southern Cross Station, in August 2006 the Southern Cross Station Authority granted a 30-year lease over the station to a private company. The audit plans to assess the effectiveness of the Government's oversight during the construction phase and early stages of operation, and to identify ongoing or outstanding issues under the arrangements between the authority and the company.

### *Melbourne Convention Centre project*

This project is being delivered by Major Projects Victoria for the Department of Innovation, Industry and Regional Development. The audit intends to examine the adequacy of the accountability and management of this project, including the planning and tendering processes.

### *Calder and Tullamarine Freeway interchange project, and West Gate and Monash Freeway corridor project*

In January 2005, the Government announced a \$150 million upgrade of the Calder and Tullamarine Freeway interchange to be funded through the early redemption of concession notes, which were to be paid by the Transurban Group under the arrangements associated with the Melbourne City Link. The project was planned, designed and constructed under an alliance agreement between VicRoads and appointed contractors. In addition, in July 2006, the State and the Transurban Group entered into an arrangement for the significant upgrade of the West Gate and Monash Freeway corridor, and the strengthening of the West Gate Bridge. The audits will assess the adequacy of the projects' planning and development, their business cases and the probity processes associated with the appointed alliance partners.

*Buyback of concession notes associated with the Melbourne City Link*

As part of the upgrade of the Calder and Tullamarine Freeway interchange, and the upgrade of the West Gate and Monash Freeways, it was announced that the works would be funded through the early redemption of concession notes under arrangements associated with the Melbourne City Link. The audit plans to examine the arrangements between the State and the Transurban Group to facilitate the financing of the projects and assess the adequacy of the accountability and valuation processes adopted.

*Buyback of intra-state rail infrastructure from Pacific National*

The buyback of the non-metropolitan fixed rail infrastructure, which was leased to Pacific National, was recently announced by the Government. The audit will assess probity, valuations and the obligations of the State associated with the proposed arrangements.

*Docklands: Transfer of local government responsibilities*

From 1 July 2007, the Melbourne City Council (MCC) will become the municipal authority for the Docklands, a function currently performed by the Victorian Urban Development Authority. The replacement value of the assets intended to be transferred to the MCC is estimated to exceed \$200 million. The objective of the review will be to assess the proposed arrangements for the transfer of municipal functions to the MCC, including the remaining risks, benefits and obligations retained by the State.

## 2.3 Performance audits relating to *Quality health and education*



## Background to performance audits

### *Effectiveness of responses to indigenous health and education matters*

Health and education outcomes for indigenous Victorians vary significantly to the non-indigenous population. Life expectancy is shorter by approximately 18 years, primary students' achievement of national reading, writing and numeracy benchmarks is substantially lower and babies born to indigenous mothers are approximately twice as likely to be of low weight (source: 2007-08 Budget Paper 3 and the 2007 *Report into Government Services*). It is important to evaluate how current and new programs/initiatives are meeting these challenges. The audit will assess the effectiveness of government responses to deficiencies in education and health performance outcomes for indigenous Victorians.

### *Housing and accommodation support for people with a disability*

The Department of Human Services (DHS) provides a range of housing and accommodation support services for people with disabilities. With the growth in the population and the ageing of carers of people with a disability, the number of people with disabilities who need housing and accommodation support services is increasing. A number of housing and accommodation support initiatives have been introduced by DHS under the Victorian State Disability Plan 2002-2012, which involves the public sector and community-based organisations. This audit will focus on DHS' housing and accommodation support programs for people with a disability and its strategies to address the demand for these services.

### *Program for students with a disability: Program accountability*

The program for students with a disability is an important program within the school system, providing additional funding and support to maximise educational outcomes for children with disabilities. Government investment in the program has increased significantly in recent years and a substantial reshaping of the program is almost complete. The aim of the audit is to determine whether the framework in place for the program provides clear measures of performance and an appropriate level of accountability. The audit will also examine how the Department of Education is working to further develop the framework.

### *Improving our schools: Monitoring and support*

The *Blueprint for Government Schools* is a recent educational reform that identified the Government's commitment to improving the quality of school education and student outcomes. It provides specific initiatives for supporting school improvement and a new School Accountability and Improvement Framework to further assist that outcome. The objective of the audit is to determine whether contributions of the Department of Education's central and regional offices to improve outcomes for students in government schools performing below expected levels have been effective. The audit will assess whether the central and regional offices adequately identify and monitor schools that are performing below expected levels and support them to improve.

*Management of the HealthSMART whole-of-health information and communication technology system*

This audit will involve an examination of the business case for the HealthSMART program and the adequacy of steps undertaken to establish user requirements. In addition, the audit will assess the established project management framework and the probity of related tendering processes.

*Royal Women's Hospital redevelopment*

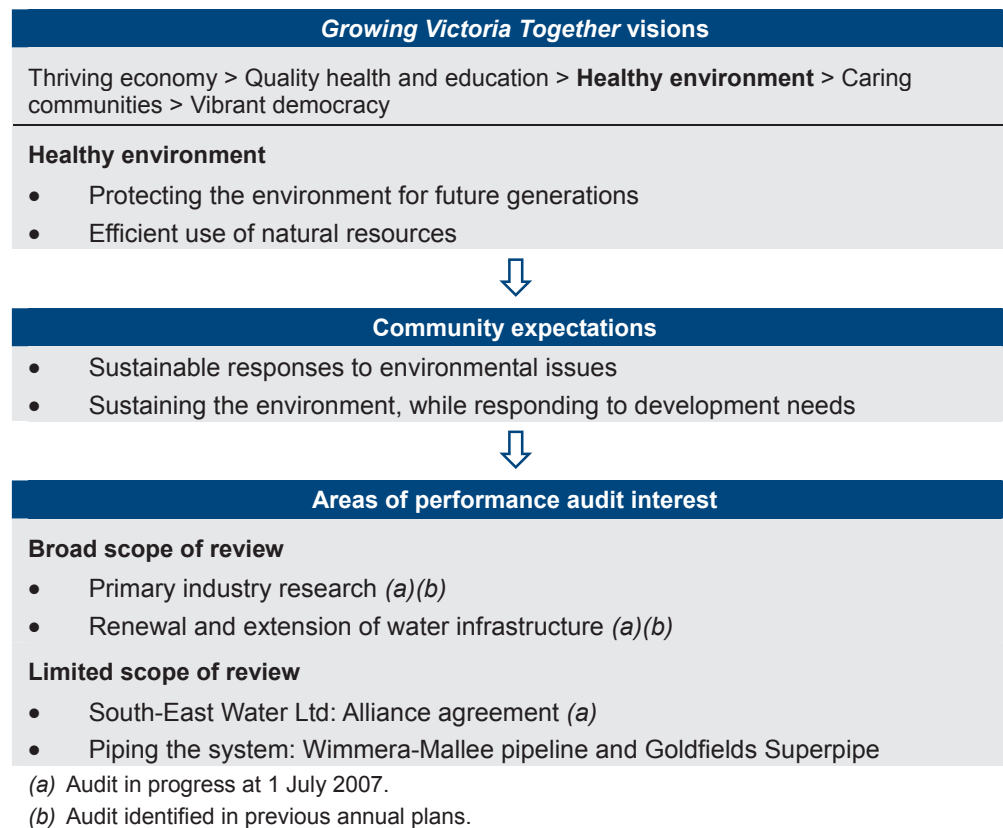
Redevelopment of the Royal Women's Hospital on a site adjacent to the Royal Melbourne Hospital is a *Partnerships Victoria* infrastructure project with a net present value of \$364 million. The audit will review the arrangements in place for the redevelopment and assess the adequacy of processes to manage ongoing risks associated with the project.

*Specific purpose funds management by health services*

The audit will assess whether selected public health services or hospitals have adequate systems and processes in place to effectively manage their externally-restricted specific purpose funds, and comply with the conditions attached to such funds.

## 2.4 Performance audits relating to a *Healthy environment*

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### Background to performance audits

#### *Primary industry research (agricultural research investment, monitoring and review)*

Agricultural research has the potential to generate significant benefits for Victoria's agricultural industry and the broader community. Primary Industries Research Victoria was established in 2003 to coordinate the research activities of the Department of Primary Industries, and is the State's largest supplier of agricultural research. The audit will assess whether this research is in line with government priorities and how well research activity and outcomes, including utilisation of the research and its commercialisation, are monitored, evaluated and reported.

### *Renewal and extension of water infrastructure*

The State's water infrastructure delivers around 3.5 million megalitres of water a year to Victorian residential, business and agricultural users. Across Victoria, 20 water companies are responsible for managing the infrastructure network of treatment plants, pumping stations and pipes. The water industry faces challenges to extend and upgrade the infrastructure to supply an additional one million people forecast to live in Victoria by 2030; to renew ageing infrastructure to meet service reliability and quality standards, and to conserve our increasingly scarce water resources. The audit will examine how well projects to renew, upgrade and extend the water infrastructure have been managed.

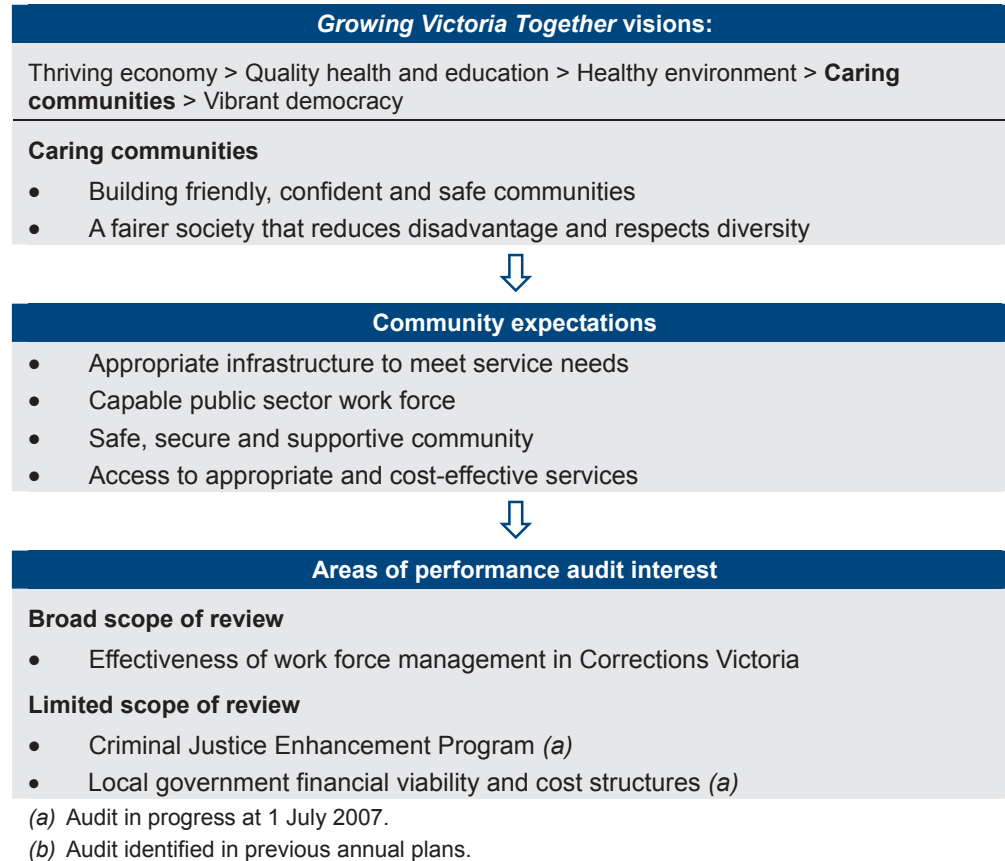
### *South-East Water Ltd: Alliance agreement*

In early 2005, an alliance contract was established between South-East Water (SEW) and 2 private providers. Under the contract, the providers are required to deliver civil maintenance, mechanical and electrical services to SEW. The audit will assess whether SEW has effectively managed its involvement in the alliance contract and whether the alliance has delivered the benefits expected by SEW.

### *Piping the system: Wimmera-Mallee pipeline and Goldfields Superpipe*

After several years of discussion with the Commonwealth Government, agreement has been reached over funding arrangements for one of Australia's largest water infrastructure projects, the Wimmera-Mallee pipeline. This \$501 million project will involve replacing about 16 000 kilometres of open earthen channels with an 8 000 kilometre pipeline over the next 10 years. The project will cover some 2.3 million hectares and service approximately 36 communities. The Goldfields Superpipe is a \$98 million project to connect the Waranga Western Channel, near Colbinabbin, to the Lake Eppalock pipeline. The audit intends to examine the progress of the pipeline project, including achievement of delivery timelines and budget targets, and the management of project risks.

## 2.5 Performance audits relating to *Caring communities*



### Background to performance audits

#### *Effectiveness of work force management in Corrections Victoria*

The expansion of Victoria's prison capacity, together with the increasing focus on rehabilitation, has required the recruitment of more custodial, clinical and administrative staff for prisons. Recent recruitment campaigns have led to the development of a new skills profile for the correctional work force with an emphasis on attracting mature, dedicated and ethical people. The audit will examine the outcomes of the recruitment campaigns, including an assessment of the skills and backgrounds of new recruits. In addition, the audit will assess the alignment of training programs for staff with prison service requirements.

### *Criminal Justice Enhancement Program*

The Criminal Justice Enhancement Project (CJEP) was a major information technology project for the Department of Justice that commenced in January 1999. The principle objective of CJEP was to create a system that would provide ongoing access to updated information about accused individuals throughout the lifecycle of their contact within the system. The project involved a number of agencies, including Victoria Police, the Magistrates' Court, the County Court, Corrections Victoria and the Office of Public Prosecutions. The objective of the audit is to review the effectiveness of the project's implementation, operation and security provisions established to prevent unauthorised access to personal information.

### *Local government financial viability and cost structures*

The demands on local government to adequately address the management and funding issues associated with asset management planning, maintenance and renewal are creating additional pressure on the prioritisation and allocation of spending. The challenge of managing increasing operational costs which have arisen through re-tendering of expired service contracts and renegotiated enterprise bargaining arrangements is also placing pressure on the financial viability of councils. Smaller rural councils are under particular pressure. In addition, councils are reliant on grant funding for both capital and operational purposes. The audit will examine the financial viability of the sector overall, and of a selection of councils in more detail.

## 2.6 Performance audits relating to a *Vibrant democracy*

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### Background to performance audits

#### *Records management*

Despite the extensive use of information and communications technology systems in public administration, agencies need to ensure the proper capture and retention of electronic records to meet their obligations under the *Public Records Act 1973*. The audit will assess, in selected areas, whether effective records management processes are in place to capture and retain public records.

*Performance reporting by financial and insurance institutions: Relevance and appropriateness*

The audit will focus on the relevance, appropriateness and fair presentation of performance information publicly reported by public sector financial and insurance institutions in Victoria.

*Performance reporting in local government: Relevance and appropriateness*

There is still considerable fragmentation and variability in the quality of performance reporting in the local government sector. This issue has been the subject of previous comment in our reports to Parliament and warrants further attention given the importance of performance reporting to the public accountability process. The audit will assess the effectiveness of local government bodies in measuring and reporting on their performance outcomes to their communities.

*Project Rosetta*

Project Rosetta was a key information and communications technology initiative for the integration of electronic directory services in key Victorian government agencies. It is claimed to have produced significant gains in security, efficiency and effectiveness over previous directory infrastructures. The audit will focus on the procurement processes adopted for Project Rosetta and assess the achievement of projected milestones and benefits.

*Parliamentary appropriations: Output specifications*

The quantity, quality, timeliness and cost performance measures within departmental output statements are used to assess each department's performance in service delivery, and to provide clear accountability. The audit will assess the accuracy of output performance measurement and reporting, and output cost attribution by selected departments.

## 2.7 Prospective areas of performance audit interest, 2008-09 to 2010-11

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Figures 2A, 2B and 2C present the prospective areas of performance audit interest for the period 2008-09 to 2010-11. These prospective audits represent an indicative program from which our Office will develop its annual plans from 2008-09 and beyond.

The disclosure of this program is intended to increase the level of transparency over the selection of areas of performance audit interest.

The prospective program deliberately includes a level of audits which exceeds the resource capacity of the Office to deliver. Its disclosure aims to ensure that Parliament, through the Public Accounts and Estimates Committee (PAEC), has an awareness of the range of prospective audits from which we propose to develop future annual plans.

In addition, the publication of this program provides managers of public sector agencies and citizens, the opportunity to provide comment to better inform our future decisions relating to the application of our audit resources.

This program will remain subject to reassessment on an annual basis and areas of audit interest are likely to be added or removed on an ongoing basis. Furthermore, for each prospective audit, the final audit approach will be determined after the completion of detailed planning by our Office, a process requiring consultation with the PAEC.

Appendix 1 presents the prospective areas of performance audit interest for the period 2007-08 to 2010-11 by departmental sector.

**Figure 2A**  
**Prospective broad scope reviews**

<b>GVT vision</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
<b>Thriving economy</b>	Privately provided public bus services	Metropolitan transport planning  Contract management: Franchise arrangements and basis for renewal post-2009.  Public transport access for persons with disabilities  Management of heritage sites and buildings owned by the State and local government	Melbourne Portal and Dynon Port rail link project  Melbourne Markets redevelopment  Energy generation security
<b>Quality health and education</b>	Learning technologies in government schools, including status of the implementation of Ultranet initiative  School property planning and replacement  Patient flow management (inpatient, outpatient and elective surgery waiting list)	Strategic planning for changes in demographics and education provision  Recruitment, training and retention of critical staff (including mental health and rural hospitals)  Project management for new construction of public hospitals and other human services-related facilities  Research and commercial activities in universities, affiliated hospitals and related research bodies  Work force planning in selected universities and technical and further education institutes	Management of alcohol and drug services in the public health system  Office of Children programs  Implementation of Blueprint for Government Schools  Inter-relationship between public hospitals and universities (contractual arrangements, cost reimbursement, accountability)  School maintenance and management of risks such as arson, vandalism, security
<b>Healthy environment</b>	Bio-security: Adequacy of primary industry and health planning  Environmental management in Victorian parks (weeds and pests)	Hazardous waste management  Water demand and supply management (including a follow-up of water trading and impact of Murray-Darling Basin arrangements)  Sustainable fisheries  Agricultural extension activities	Salinity management  Environmental management of Victorian ports

**Figure 2A**  
**Prospective broad scope reviews - *continued***

<b>GVT vision</b>	<b>2008-09</b>	<b>2009-2010</b>	<b>2010-11</b>
<b>Caring communities</b>	<p>Services to young offenders</p> <p>Capability and facilities of emergency, correctional services and hospital emergency wards to adequately respond to people with mental health issues and related issues such as suicide</p>	<p>Dependence on fundraising activities and volunteers in the education, human services and justice sectors, and management of associated risks</p> <p>Local government business planning</p> <p>Childcare provision by local governments</p>	<p>Local government role in waste management</p> <p>Regulation of gaming, including problem gambling</p> <p>Prisoner health system and services</p> <p>Local community transport (bus) service pro</p>
<b>Vibrant democracy</b>	<p>Integrity and protection of data in selected information technology systems</p> <p>Revenue collection by major agencies</p> <p>Tendering and contract management practices in local government</p> <p>Victorian WorkCover Authority: Claims management</p>	<p>Central governance and investment management of information and communication technology</p> <p>State property management, including unused capacity</p> <p>Adequacy of work force planning (central agencies of the State and local government)</p> <p>Joined-up government programs: Effective management and accountability</p> <p>Reducing the regulation burden (reducing red tape)</p>	<p>Provincial Growth Victoria Fund initiative</p> <p>Management of civic facilities</p> <p>E-government and information technology in local government</p> <p>Essential Services Commission: Small agency review</p> <p>Effectiveness of the centralised Grants Management Unit and implementation of electronic grants management system.</p> <p>Victorian Workcover Authority: Conciliation services</p>

**Figure 2B**  
**Prospective limited scope reviews**

<b>GVT vision</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
<b>Thriving economy</b>	<p>Port of Melbourne channel deepening project: Progressive examination</p> <p>Assessment of management of major rail projects, including project outcomes</p> <p>Docklands development: Financial performance</p>	<p>Management of the Multi-Purpose Taxi Program</p> <p>Restoration of country passenger rail services: Mildura and Leongatha</p> <p>Status of rail safety initiatives and the potential impact of outstanding works (including level crossing improvement program)</p> <p>Assessment of management of major roads projects by VicRoads, including project outcomes</p>	<p>Port of Melbourne channel deepening project - Progressive examination: Follow-up</p> <p>Transit cities: Revitalising central Dandenong</p> <p>Follow-ups:</p> <ul style="list-style-type: none"> <li>• Rail maintenance</li> <li>• Fast Rail Project</li> <li>• Rail gauge standardisation</li> </ul> <p>Heritage Victoria (Victorian Heritage Program)</p> <p>Small Business Support Program</p> <p>Investment attraction</p> <p>Performance indicators (Transport): Relevance and appropriateness</p>
<b>Quality health and education</b>	<p>Visiting medical officer payments in public hospitals: Follow-up of 2002 special review</p> <p>Delivery of home and community care services by local government: Follow-up</p> <p>Assessment of outcomes associated with CASES21</p> <p>Management of funds held by schools/school councils (including loans of school cooperatives)</p> <p>University/TAFE/Secondary school revenue from international students and full fee-paying students</p> <p>Out of Home Care (children and young people)</p> <p>Royal Children's Hospital redevelopment</p>	<p>Review of Victorian Curriculum and Assessment Authority, including implementation of the Assessment Processing System</p> <p>Access to affordable housing (medium and long-term housing), including support services (housing associations)</p> <p>Impact of potential carbon trading regime on government agencies</p> <p>Community health services</p> <p>Teacher placement in government schools</p> <p>Synchrotron project: Follow-up</p> <p>Management and quality of TAFE facilities and equipment: Follow-up</p> <p>Effectiveness of student welfare services</p> <p>Bio21: Follow-up</p> <p>Management of funding service agreements with non-government service providers</p>	<p>Client Service Model Strategic Project</p> <p>Review of cemeteries: Follow-up</p> <p>Property management in the human services sector, including maintenance of public hospitals</p> <p>Out of Home Care (children and young people): Follow-up</p> <p>Review of Victorian Registration and Qualifications Authority</p> <p>Programs for students with disabilities: Follow-up</p> <p>Financial performance of universities' off-shore and interstate operations</p>

**Figure 2B**  
**Prospective limited scope reviews - *continued***

<b>GVT vision</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
<b>Healthy environment</b>	Irrigation efficiency programs	Critical information communication and technology infrastructure (water sector) VicForests: Review of operations Northern sewerage infrastructure project Assessment of community building projects, including governance and financial management	Farm business management programs Victorian Resources Online (information for primary producers)
<b>Caring communities</b>	Integrated Courts Management System Transit Police (community safety) Regional Infrastructure Development Fund Construction of new police stations and courthouses: service need	Victoria Police information technology: Asset enhancement Emergency Services Telecommunication System and Emergency Alerting Systems, including response times by emergency services Local government vehicle fleet management Performance indicators: Police and Emergency Services	Management of jail capacity and conditions Redevelopment of Melbourne legal precinct: Supreme Court Retendering: Prison contracts Operations of the Victoria Police Forensic Science Department Construction of Rectangular Stadium: Service need Senior officer employment contracts and performance management (local government)
<b>Vibrant democracy</b>	Fraud: Assessment of systems, policies and procedures in selected agencies Outcomes associated with the movement of agencies to regional areas (Transport Accident Commission, Rural Finance Corporation and State Revenue Office)	Progress on implementation of triple bottom line reporting, including monitoring of <i>Growing Victoria Together</i> progressive outcomes Review of administration of corporate sponsorship arrangements (e.g. Transport Accident Commission)	Business continuity planning in selected bodies, including local government Management risk across the public sector: Toward good practice: (Follow-up)

**Figure 2C**  
**Prospective limited scope reviews of compliance and probity**

<b>GVT vision</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
<b>Quality health and education</b>	Supported residential services: Review of the Department of Human Services' regulatory role and progress since the 2001 Review of Health Services (Residential Care) by the Ministerial Advisory Committee	Management of concessions to pensioners and beneficiaries	
<b>Healthy environment</b>		Catchment Management Authorities: Governance issues: Follow-up Regulation of mining industries (mainly processes associated with reclaiming of unused mining sites, restoration and related safety issues)	Compliance with <i>Flora and Fauna Guarantee Act 1988</i> (protection of endangered species) Regulation governing genetically-modified foods
<b>Caring communities</b>	Community Support Fund	Compliance with Community Corrections Orders Utilisation of development contributions (local government)	Council business units: Competitive neutrality requirements, risk management and gain-share arrangements
<b>Vibrant democracy</b>	Lotteries/gaming machine/Keno and wagering licences (review status/tendering process)	Regulation of incorporated associations	Compliance with requirements to disclose contract details with the private sector State Trustees Ltd: Represented persons

# 3 Our outputs for 2007-08

## 3.1 Introduction

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A program of product and service outputs has been developed under our attest and performance audit mandate and is outlined in this part of the annual plan. These outputs for 2007-08 are funded through 2 output groups, namely:

- Output 1: Parliamentary reports and services
- Output 2: Audit reports on financial statements and non-financial performance indicators.

## 3.2 Output 1: Parliamentary reports and services

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As mentioned in Part 1 of this annual plan, we report to Parliament on our program of performance audits, our analysis and examination of the State's finances and the results of annual audits of financial statements and non-financial performance indicators of public sector agencies.

In addition, we provide a range of services that complement our parliamentary reporting products. These services include the provision of advice and commentary on emerging issues to key parties, such as parliamentary committees, central government and peak professional bodies involved in promoting accountability, and advancing the quality of resource management in the public sector.

Our performance targets for 2007-8 and the related expected outcomes in 2006-07 for Output 1: *Parliamentary reports and services* are outlined below.

<b>Output 1: Parliamentary reports and services</b>					
<b>Performance measures</b>	<b>Unit of measure</b>	<b>2007-08 target</b>	<b>2006-07 expected outcome</b>	<b>2006-07 target</b>	<b>2005-06 actual</b>
<b>Quantity -</b>					
• Major audit reports	(number)	<b>16</b>	15	16	16
<b>Quality -</b>					
• Overall level of external satisfaction with audits (a)	(per cent)	<b>80</b>	80	80	81
<b>Timeliness -</b>					
• Inquiries from Members of Parliament and the public acknowledged within 7 days, and responded to within 4 weeks	(per cent)	<b>95</b>	85	95	81
• Reports completed on time (b)	(per cent)	<b>90</b>	76	100	69
<b>Cost -</b>					
• Application of output appropriations for the delivery of reports and services	(\$million)	<b>11.6</b>	11.3	11.3	10.5

(a) After the tabling of each major audit, an important element of our continuous improvement strategies involves obtaining, feedback from key stakeholders. This feedback process seeks comment from senior management within audited agencies. A targeted satisfaction level of 80 per cent has been set for measuring the quality of this core aspect of our performance. It is also our practice to periodically survey individual Members of Parliament to seek their views regarding the relevance of audit topics and the quality of our reports, and selected external organisations or individuals with a specific interest in the subject matter of a report.

(b) The targets for these performance measures have been decreased to recognise practicable performance expectations.

### 3.2.1 Parliamentary reports

Our work program aims to provide assessments to Parliament of the performance of public sector agencies. Our goal is to deliver high-quality, independent audit reports that advise Parliament on accountability issues and the management of public resources, and support the application of best practice by agencies within the Victorian public sector.

For 2007-08, we expect to table 16 reports in Parliament, encompassing the results of:

- 10 single topic performance audits with a broad scope of review
- 3 reports consisting of performance audits with a limited scope of review
- 2 reports on the results of annual audits of financial statements and non-financial performance indicators of public sector agencies. These reports may also include other performance audits with a limited scope of review
- our report on the examination of the State's finances, which provides an independent assessment of the State's finances for 2006-07.

### 3.2.2 Other services provided in Parliament's interest

Other services that we intend to provide over the course of 2007-08 for the benefit of Parliament, are described in Figure 3A.

**Figure 3A**  
**Other services provided in Parliament's interest**

<b>Provision of assistance to Parliament</b>	Briefings to Members of Parliament on our reports and provision of formal submissions and/or evidence at public hearings for inquiries of parliamentary committees.
<b>Management of inquiries from Members of Parliament, agencies and the public</b>	<p>Around 130 inquiries are received by our Office each year. These inquiries will usually relate to concerns expressed about the management of public resources and often include a request for the Auditor-General to undertake an audit. While we may not always be in a position to fully satisfy concerns raised with us, we aim to acknowledge all inquiries within 7 days and to provide a final response (including whether we intend to carry out an audit) to the inquirer within 4 weeks.</p> <p>The Ombudsman can refer matters subject to the Whistleblowers Legislation to our Office for examination.</p>
<b>Enhancing accountability on resource management in the public sector</b>	<p>Advice to government and individual agencies on emerging issues such as draft legislation, new financial management proposals and directions in financial reporting.</p> <p>Presentations by Office staff at external conferences and seminars, and commentary to peak professional bodies on draft accounting and auditing pronouncements, and other contemporary public sector developments.</p> <p>Where opportunities exist to improve practices in the public sector through the provision of good practice guidance, we will convert the audit criteria and lessons learned from particular audits into good practice guidance in specific areas of management, governance and accountability. These guides are made available to public sector agencies.</p>
<b>Liaison with international delegations and interstate organisations</b>	From time-to-time, we are asked to host visits from international delegations (including parliamentary representatives of overseas jurisdictions) and to liaise with interstate organisations to share our knowledge and experiences on particular public sector issues and, where applicable, provide related training.
<b>Examination and certification by the Auditor-General of warrants authorising the expenditure of public funds by government</b>	The preparation of warrants in Victoria is required under the provisions of the <i>Constitution Act 1975</i> and the <i>Financial Management Act 1994</i> . These documents provide constitutional authority for the government of the day to progressively expend funds for public purposes. Warrants examined and certified by the Auditor-General during 2006-07 had an aggregate expenditure value in excess of \$31.5 billion (as at 31 May 2007).

### 3.3 Output 2: Audit reports on financial statements and non-financial performance indicators

Each year we audit the Government's Annual Financial Report and the financial statements of State public sector and local government agencies. We also audit non-financial performance indicators prepared by local government and certain water bodies, and technical and further education institutes. The Estimated Financial Statements incorporated within the annual State budget papers are also subject to review by our Office.

Our performance targets for 2007-08 and the related expected outcomes in 2006-07 for Output 2, *Audit reports on financial statements and non-financial performance indicators* are outlined below.

<b>Output 2: Audit reports on financial statements and non-financial performance indicators</b>					
<b>Performance measures</b>	<b>Unit of measure</b>	<b>2007-08 target</b>	<b>2006-07 expected outcome</b>	<b>2006-07 target</b>	<b>2005-06 actual</b>
<b>Quantity -</b>					
Audit opinions issued on non-financial performance indicators	(number)	<b>113</b>	113	113	94
Audit opinions issued on the financial statements of agencies	(number)	<b>657</b>	625	657	631
<b>Quality -</b>					
Overall level of external satisfaction with reports and services (a)	(per cent)	<b>80</b>	80	80	81
<b>Timeliness -</b>					
Audit opinions issued within statutory deadlines (b)	(per cent)	<b>100</b>	98	100	96
Management letters to agencies issued within established time frames (b)	(per cent)	<b>90</b>	77	100	70
<b>Cost -</b>					
Application of output appropriations for the delivery of services	(\$million)	<b>15.5</b>	15.5	15.5	15.4

(a) Each year, we obtain feedback from audited agencies on the extent of their satisfaction with the conduct of financial statement audits. An annual survey document circulated to agencies at the conclusion of each audit round invites executive management to assess financial statement audit services against a number of individual key attributes and to provide an overall rating of satisfaction. These attributes include: the professionalism, knowledge and skill of audit staff; effectiveness of communications with the audited agency; level of understanding of the agency's business; and the degree to which the Office's financial audit services provides audited agencies with a sense of assurance. In addition to this external source of quality assurance, we arrange for an independent post-audit quality assurance review on a percentage of audits each year, using qualified external parties.

(b) Consistent with previous years, and in recognition of the importance of completing all financial statement audits expeditiously, it will be our aim during 2007-08 to:

- express all opinions on financial statements of agencies within the statutory deadline (set out in the *Audit Act 1994*) of 4 weeks of receipt of acceptable financial statements
- send management letters to agencies within 4 weeks of the issue of the audit opinion on the financial statements.

### 3.3.1 Audit opinions

The audit opinions we express on financial statements and non-financial performance indicators provide independent assurance about their fair presentation to Parliament and to public sector chief executives, boards and other governing bodies.

The Auditor-General has responsibility for the audit of 657 financial statements and 113 non-financial performance statements. The audited agencies include government departments and other public sector entities, including public hospitals and ambulance services, universities and other educational institutions, water authorities and public sector superannuation funds. We are also responsible for the audit of local governments, companies, trusts and joint ventures that are controlled by public sector agencies.

Our audit approach is designed to enable us to form audit opinions on agencies' financial statements and non-financial performance statements. We also have regard to the appropriateness of the use of public resources, and compliance with laws and regulations when undertaking our financial audits.

To address these dual objectives, we gain an understanding of significant financial reporting and financial management risks facing agencies. The adequacy of the internal control structures put in place by agencies to deal with these risks are examined as part of the financial audit process.

Weaknesses in internal control structures or aspects of wastage or misuse of public resources identified in our financial audits are reported to agency management as part of our audit process. A summary and analysis of significant issues arising from these audits is included in our reports to Parliament.

### 3.3.2 Resources for financial statement audits

It has been a long-standing practice to use a combination of in-house resources and contracted external audit service providers in the conduct of financial statement audits.

We plan to use in-house resources on around 33 per cent of audits in the Victorian public sector. This practice enables us to maintain a representative audit presence and capability across all designated risk categories and geographically across the state.

Our policy of rotating the external audit service providers engaged for each audit agency every 5 years will continue to be applied during 2007-08 as audit contracts with external audit service providers expire. This approach supports the maintenance of audit independence, and ensures the application of a fresh and objective perspective by external audit service providers to the audit task.

## Appendix 1

# Prospective areas of performance audit interest, 2007-08 to 2010-11

This appendix presents the prospective areas of performance audit interest from 2007-08 to 2010-11, on a departmental sector basis.

Department of Education sector				
2007-08		2008-09		2010-11
Broad	Limited	Broad	Limited	Broad
Improving our schools: Monitoring and support Program for students with a disability: Program accountability Records management Effectiveness of responses to indigenous health and education matters (see DHS)		Learning technologies in government schools, including status of the implementation of Ultranet initiative Integrity and protection of data in selected information technology systems School property planning and replacement	Assessment of outcomes associated with CASES21 Management of funds held by schools/school councils (including loans of school cooperatives) University/TAFE/secondary school revenue from international students and full fee-paying students (See DIIRD)	
		Strategic planning changes in demographics and education provision Dependence on fundraising activities and volunteers in the education, human services and justice sectors, and management of associated risks	Review of Victorian Curriculum and Assessment Authority, including implementation of the Assessment Processing System Teacher placement in government schools Effectiveness of student welfare services	
				Implementation of Blueprint for Government Schools School maintenance and management of risks such as arson, vandalism, security Program for students with a disability: Program Accountability (Follow-up)

Department of Human Services sector							
2007-08		2008-09		2009-10		2010-11	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
Housing and accommodation support services for people with a disability	Royal Women's Hospital redevelopment Management of the HealthSMART whole-of-health ICT system	Bio-security: Adequacy of primary industry and health planning (see DPI)	Supported residential services: Review of the Department of Human Services' regulatory role and progress since the 2001 Review of Health Services (Residential Care) by the Ministerial Advisory Committee.	Recruitment, training and retention of critical staff (including mental health and rural hospitals)	Management of funding and service agreements with non-government service providers	Inter-relationship between public hospitals and universities (contractual arrangements, cost reimbursement, accountability) (see DIIRD)	Client Service Model Strategic Project
Effectiveness of responses to indigenous health and education matters (see DoE)	Specific purpose funds management by health services	Services to young offenders (see DOJ)	Visiting medical officers payments in public hospitals: Follow-up of 2002 special review	Project management for new construction of public hospitals and other human services-related facilities	Management of concessions to pensioners and beneficiaries	Review of cemeteries: Follow-up	Property management in the human services sector, including maintenance of public hospitals
Renewal and extension of water infrastructure (see DSE)	Parliamentary appropriations: Output specifications (see DIIRD, DoI and statewide and central agencies)	Capability and facilities of emergency, correctional services and hospital emergency wards to adequately respond to people with mental health issues and related issues such as suicide (see DOJ)	Delivery of home and community care services by local government: Follow-up	Dependence on fundraising activities and volunteers (see DOJ/DOE/DSE/DVC)	Access to affordable housing (medium and long-term housing), including support services (housing associations)	Out of Home Care (children and young people): Follow-up	Out of Home Care (children and young people): Follow-up
		Patient flow management (inpatient, outpatient and elective surgery waiting list)	Out of Home Care (children and young people) Royal Children's Hospital redevelopment	Research and commercial activities in universities, affiliated hospitals and related research bodies (see DIIRD)	Community health services	Prisoner health system and services (see DOJ)	Office of Children program review

Department of Infrastructure sector							
2007-08		2008-09		2009-10		2010-11	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
Records management	Buyback of concession notes associated with the Melbourne City Link	Privately provided public bus services	Port of Melbourne channel deepening project: Progressive examination	Metropolitan transport planning	Restoration of country passenger rail services: Mildura and Leongatha	Melbourne Portal and Dynon Port rail link project	Port of Melbourne channel deepening project - Progressive examination: Follow-up
Maintaining the State's regional arterial road network	Calder and Tullamarine Freeway interchange project	Integrity and protection of data in selected information technology systems	Assessment of management of major rail projects, including project outcomes	Contract management: Franchise arrangements and basis for renewal post-2009	Assessment of major roads projects by VicRoads, including project outcomes	Environmental management of Victorian ports	Transit cities: Revitalising central Dandenong
	West Gate and Monash Freeway corridor project		Docklands development: Financial performance	Public transport access for persons with disabilities	Status of rail safety initiatives and the potential impact of outstanding works (including the level crossing improvement program)		Follow-ups: <ul style="list-style-type: none"> <li>• Rail maintenance</li> <li>• Fast Rail Project</li> <li>• Rail gauge standardisation</li> </ul>
	Buyback of intra-state rail infrastructure from Pacific National		Transit Police (community safety) (See DOJ)		Management of the Multi-Purpose Taxi Program		Performance Indicators (Transport): Relevance and appropriateness
	Parliamentary appropriations: Output specifications (see DHS, DIIRD and statewide and central agencies)						
	Southern Cross Station project						
	Docklands: Transfer of local government responsibilities						

Department of Innovation, Industry Rural Development sector							
2007-08		2008-09		2009-10		2010-11	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
	Melbourne Convention Centre project Parliamentary appropriations: Output specifications (see DHS, DOI and statewide and central agencies)		Regional Infrastructure Development Fund University/TAFE/secondary school revenue from international students and full fee-paying students (See DoE)	Research and commercial activities in universities, affiliated hospitals and related research bodies (see DHS) Work force planning in selected universities and technical and further education institutes	Bio21: Follow-up Management and quality of TAFE facilities and equipment: Follow-up Synchrotron project: Follow-up	Provincial Growth Victoria Fund initiative	Small Business Support Program Investment attraction Financial performance of universities' off-shore and interstate operations

Department of Justice sector		2007-08		2008-09		2009-10		2010-11	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
Effectiveness of work force management in Corrections Victoria	Criminal Justice Enhancement Program	Services to young offenders Capability and facilities of emergency and correctional services and hospital emergency wards to adequately respond to people with mental health issues and related issues such as suicide (see DHS)	Construction of new police stations and courthouses: Service need Integrated Courts Management System Transit Police (community safety) Lotteries/gaming machine/Keno and wagering licences (review status/tendering process)	Dependence on fundraising activities and volunteers in the education, human services and justice sectors, and management of associated risks	Victoria Police information technology: Asset enhancement Compliance with Community Corrections Orders Performance indicators: Police and Emergency Services Regulation of incorporated associations Emergency Services Telecommunication System and Emergency Alerting Systems, including response times by emergency services	Prisoner health system and services Regulation of gaming, including problem gambling.		Prisoner health system and services Regulation of gaming, including problem gambling.	Management of jail capacity and conditions Redevelopment of Melbourne legal precinct: Supreme Court Retendering: Prison contracts Operations of the Victoria Police Forensic Science Department

Local Government sector		2007-08		2008-09		2009-10		2010-11	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
Urban planning	Performance reporting in local government: Relevance and appropriateness Local government financial viability and cost structures	Tendering and contract management practices in local government	Delivery of home and community care services by local government: Follow-up	Local government business planning Adequacy of work force planning (central agencies of the State and local government) Management of heritage sites and buildings owned by the State and local government Childcare provision by local governments	Utilisation of development contributions (local government) Local government vehicle fleet management	Management of civic facilities E-government and information technology in local government Local government role in waste management	Senior officer employment contracts and performance management (local government) Council business units: Competitive neutrality requirements, risk management and gain-share arrangements. Business continuity planning in selected bodies, including local government		

Department of Primary Industries sector							
2007-08		2008-09		2009-10		2010-11	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
Primary industry research		Bio-security: Adequacy of primary industry and health planning (see DHS) Environmental management in Victorian Parks (weeds and pests) (see DSE)	Irrigation efficiency programs (See DSE)	Sustainable fisheries Agricultural extension activities	VicForests: Review of operations Regulation of mining industries (mainly processes associated with reclaiming of unused mining sites, restoration and related safety issues.)	Melbourne Markets redevelopment Energy generation security	Victorian Resources Online (information for primary producers) Regulation governing genetically-modified foods Farm business management programs
Department of Sustainability and Environment sector							
2007-08		2008-09		2009-10		2010-11	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
Renewal and extension of water infrastructure (see DHS) Urban planning	Piping the system: Wimmera-Mallee pipeline and Goldfields Superpipe South East Water Ltd: Alliance agreement	Environmental management in Victorian parks (weeds and pests) (see DSE)	Irrigation efficiency programs (see DPI)	Water demand and supply management (including a follow-up of water trading and impact of Murray-Darling Basin arrangements) Hazardous waste management	Impact of potential carbon trading regime on government agencies Catchment Management Authorities – Governance issues: Follow-up Northern sewerage infrastructure project Critical information communication technology infrastructure (water sector)	Salinity management	Compliance with <i>Flora and Fauna Guarantee Act 1988</i> (protection of endangered species) Heritage Victoria (Victorian Heritage Program)

Department of Victorian Communities sector							
2007-08		2008-09		2009-10		2010-11	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
	Local government financial viability and cost structures		Community Support Fund	Dependence on fundraising activities and volunteers in the education, human services and justice sectors, and management of associated risks	Assessment of community building projects, including governance model and financial management	Effectiveness of the centralised Grants Management Unit and implementation of electronic grants management system	Construction of Rectangular Stadium: Service need
<b>Sector-wide and central agencies</b>							
2007-08		2008-09		2009-10		2010-11	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
Records management	Performance reporting by financial institutions and insurance agencies: Relevance and appropriateness Project Rosetta Parliamentary appropriations: Output specifications (see DHS, DIIRD and DoI)	Integrity and protection of data in selected information technology systems Victorian WorkCover Authority: Claims management Revenue collection by major agencies	Outcomes associated with the movement of agencies to regional areas (Transport Accident Commission, Rural Finance Commission and State Revenue Office) Fraud: Assessment of systems, policies and procedures in selected agencies	Management of heritage sites and buildings owned by the State and local government Central governance and investment management of information and communication technology State property management, including unused capacity Joined-up government programs: Effective management and accountability Reducing the regulation burden (reduced red tape)	Progress on implementation of triple bottom line reporting, including monitoring of <i>Growing Victoria Together</i> progressive outcomes Review of administration of corporate sponsorship arrangements (e.g. Transport Accident Commission) Performance indicators: Police and Emergency Services (see DoJ)	Essential Services Commission: Small agency review Victorian WorkCover Authority: Conciliation services State Trustees Ltd: Represented persons Performance indicators (Transport): Relevance and appropriateness (see DoI) Managing risk across the public sector: Toward good practice (Follow-up)	Compliance with requirements to disclose contract details with the private sector State Trustees Ltd: Represented persons Performance indicators (Transport): Relevance and appropriateness (see DoI) Managing risk across the public sector: Toward good practice (Follow-up)

## Appendix 2

# Performance and other audit program coverage, 2004-05 to 2006-07

Performance audits undertaken in 2004-05 to 2006-07 are presented in this appendix, together with other types of parliamentary reports.

**Figure A2**  
**Audit program coverage, 2004-05 to 2006-07**

<i>Growing Victoria Together vision</i>	2004-05	2005-06	2006-07
<b>Thriving economy</b>	<ul style="list-style-type: none"> <li>Regulating operational rail safety</li> </ul>	<ul style="list-style-type: none"> <li>Franchising Melbourne's train and tram system</li> <li>Operation of the Regional Infrastructure Development Fund</li> <li>Progress of the Eastlink project</li> <li>Interim report on the regional fast rail project.</li> </ul>	<ul style="list-style-type: none"> <li>Making travel safer: Victoria's speed enforcement program</li> <li>Delivering regional fast rail services</li> <li>Rail gauge standardisation project</li> <li>Docklands film and television studios: Status of state's interest</li> <li>Maintaining Victoria's rail infrastructure assets</li> <li>State investment in major events</li> <li>Purchase of contaminated land by the former Melbourne Port Corporation</li> </ul>

**Figure A2**  
**Audit program coverage, 2004-05 to 2006-07 - *continued***

<i>Growing Victoria Together</i> vision	2004-05	2005-06	2006-07
<b>Quality health and education</b>	<ul style="list-style-type: none"> <li>Managing school attendance</li> <li>Managing patient safety in public hospitals</li> <li>Our children are our future: Improving outcomes for children and young people in Out of Home Care</li> </ul>	<ul style="list-style-type: none"> <li>Health procurement in Victoria</li> <li>Access to specialist medical outpatient care</li> <li>Management of food safety in Victoria: Progress made on our 2002 report</li> <li>Drug education in schools: Progress made on our 2003 report</li> <li>Mental health services for people in crisis: Progress made on our 2002 report</li> <li>Kangan Batman Institute of TAFE: Adequacy of processes to outsource its printing functions</li> <li>Performance reporting by public health services</li> </ul>	<ul style="list-style-type: none"> <li>Vocational education and training: Meeting the skill needs of the manufacturing industry</li> <li>Condition of public sector residential aged care facilities</li> <li>Review of major public cemeteries</li> <li>Accountability for public funds provided to a non-government organisation (human services)</li> <li>Giving Victorian children the best start in life</li> <li>Promoting better health through healthy eating and physical activity</li> <li>Contract and tendering practices in selected agencies</li> <li>Managing emergency demand in public hospitals – Follow-up</li> <li>Maintaining public housing stock – Follow-up, including Housing integrated information Program</li> <li>Managing medical equipment in public hospitals – Follow-up</li> </ul>

**Figure A2**  
**Audit program coverage, 2004-05 to 2006-07 - *continued***

<i>Growing Victoria Together</i> vision	2004-05	2005-06	2006-07
<b>Healthy environment</b>	<ul style="list-style-type: none"> <li>Measuring the success of the Our Forests, Our Future policy</li> </ul>	<ul style="list-style-type: none"> <li>Managing stormwater flooding risks in Melbourne</li> <li>Protecting our environment and community from failing septic tanks</li> <li>Strategic purchasing and Barwon Region Water Authority: Contract for the supply of water treatment chemicals</li> <li>Fire prevention and preparedness: Progress made on our 2003 report</li> </ul>	<ul style="list-style-type: none"> <li>Westernport Region Water Authority: Investigation of aspects of the authority's management</li> </ul>
<b>Caring communities</b>	<ul style="list-style-type: none"> <li>East Gippsland Shire Council: Proposed sale of Lakes Entrance property</li> </ul>	<ul style="list-style-type: none"> <li>Planning for a capable Victoria Police workforce</li> <li>Community planning services in Glenelg Shire Council, 1998-2005</li> <li>Geelong Magistrate's Court: Investigation into alleged misuse of court funds</li> <li>Administration of grants by local governments</li> <li>Management of the Commonwealth Games athletes' village project</li> <li>Harness racing industry reforms: Adequacy of consultation</li> <li>Latrobe Valley Marketing Advisory Panel: Financial management and oversight</li> </ul>	<ul style="list-style-type: none"> <li>Addressing the needs of Victorian prisoners: Follow-up</li> <li>Administration of non-judicial functions of the Magistrates' Court of Victoria</li> </ul>

**Figure A2**  
**Audit program coverage 2004-05 to 2006-07 - *continued***

<i>Growing Victoria Together</i> vision	2004-05	2005-06	2006-07
<b>Vibrant democracy</b>	<ul style="list-style-type: none"> <li>• Meeting our future Victorian Public Service workforce needs</li> <li>• Management of occupational health and safety in local government</li> <li>• In good hands: Smart recruiting for a capable public sector</li> </ul>	<ul style="list-style-type: none"> <li>• Managing intellectual property in government agencies</li> <li>• Government vehicle fleet disposals</li> <li>• Transport Accident Commission: CEO's travel and entertainment expenditure</li> </ul>	<ul style="list-style-type: none"> <li>• Government advertising</li> <li>• Managing risk across the public sector: Toward good practice</li> <li>• Raising and collection of fees and charges by departments</li> <li>• Public hospital financial performance and sustainability</li> </ul>