

# annual report 2016–17

This annual report summarises the activities and performance of the Audit Office of New South Wales for 2016–17 against the main goals, strategies and targets in its strategic plan. As well as reporting on the financial results for the past year, the report looks to the year ahead. This and earlier annual reports are available on our website.

[audit.nsw.gov.au](http://audit.nsw.gov.au)



Our insights inform and challenge government to improve outcomes for citizens

Level 15, 1 Margaret Street  
Sydney NSW 2000 Australia  
t +61 2 9275 7100  
f +61 2 9275 7200  
e [mail@audit.nsw.gov.au](mailto:mail@audit.nsw.gov.au)  
office hours 8.30 am–5.00 pm

GPO Box 12  
Sydney NSW 2001

Members of Legislative  
Assembly  
Parliament House  
Sydney NSW 2000

Under section 12A of the *Annual Reports (Statutory Bodies) Act 1984*, I have pleasure in submitting for the information of members this report of the activities of the Audit Office of New South Wales for the year ended 30 June 2017.

A handwritten signature in black ink, appearing to read 'Margaret Crawford'.

**Margaret Crawford**  
Auditor-General

11 September 2017

**Cover: 'Yarning Circle' by Caitlin Liddle, Audit Office Indigenous Internship Program participant.**

'The centre is a meeting place to symbolise the Audit Office, and sitting around this is a number of people in different colours to show our diversity. The dotting around the people signifies the conversations of acceptance that can occur when cultures combine.'

Caitlin Liddle

See page 49 for details on our Indigenous Internship Program.

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## The history of the Auditor-General

- 1824** William Lithgow appointed Colonial Auditor-General, to compile and examine the colony's accounts and report on government departments to the Governor.
- 1855** The *UK Constitution Act 1855* formalised government in New South Wales, and the Auditor-General was made a member of the government.
- 1870** Powers and duties of the Auditor-General first set in legislation, in the *Audit Act 1870*.
- 1902** *Audit Act 1902* prohibited the Auditor-General from being a member of the Executive Council or of the parliament.
- 1929** *Audit (Amendment) Act 1929* changed the tenure of office of the Auditor-General from life to ceasing at 65.
- 1984** *Public Finance and Audit Act 1983* established the Auditor-General's Office (6 January 1984).
- 1989** Auditor-General's Office declared a statutory body, allowing it to be both more independent and more commercial.
- 1991** The *Public Finance and Audit Act 1983* expanded the Auditor-General's role to include performance audits, limited tenure to seven years (no age limit), and prevented acceptance of any other post in the NSW public service.
- 2001** Auditor-General's role expanded to report on issues of waste, probity and financial judgement.
- 2004** Auditor-General given power to employ staff directly, and set wages and conditions.
- 2013** Tenure of Auditor-General extended to eight years.
- 2016** The *Local Government Act 1993* expanded the Auditor-General's mandate to include financial and performance auditing of local government.



# Our organisation

## Built on strategic foundations

### Our vision

Our insights inform and challenge government to improve outcomes for citizens.

### Our mission

To help parliament hold government accountable for its use of public resources.

### Our values

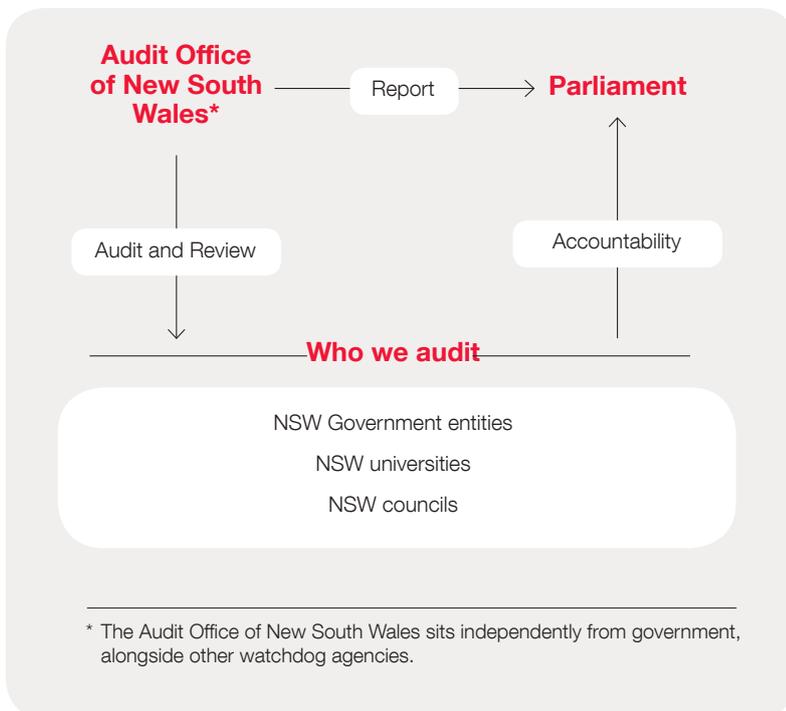
**Purpose** – we have an impact, are accountable, and work as a team.

**People** – we trust and respect others and have a balanced approach to work.

**Professionalism** – we are recognised for our independence and integrity and the value we deliver.

### Our main stakeholders

- Parliament of New South Wales
- NSW Government entities
- NSW universities
- NSW councils
- The people of New South Wales.



### Who we are

The Audit Office of New South Wales is a statutory authority, established under the *Public Finance and Audit Act 1983*, that conducts audits for the Auditor-General.

These audits help parliament hold government accountable for its use of public resources.

### What we do

The Auditor-General is accountable to the NSW Parliament and is responsible for audits and related services.

The Audit Office conducts financial and performance audits, principally under the *Public Finance and Audit Act 1983* and the *Local Government Act 1993*.

Financial audits provide an independent opinion on NSW Government entities', universities' and councils' financial statements. They identify whether their financial statements comply with accounting standards and relevant laws, regulations and government directions.

Performance audits build on our financial audits by reviewing whether public money is spent efficiently, effectively, economically and in accordance with the law.

Special audits are sometimes conducted to confirm that specific legislation, directions and regulations have been adhered to.

The Auditor-General also provides certain assurance services over Commonwealth grants and payments to the NSW Government and local government under Commonwealth legislation.

### Our resources

275 full-time equivalent staff at the Audit Office at 30 June 2017.

\$38 million revenue from government entities, councils and universities for audits of their financial statements.

\$9 million from the government for our performance and compliance audits and reports to parliament.

11 external contract audit agents assist with our financial statement audits, representing about 10 per cent of our financial audit work.

