

Report of the Auditor-General

Report 9 of 2022

Auditor-General's Department

Annual report for the year ended 30 June 2022

*The Auditor-General's Department acknowledges and respects
Aboriginal people as the State's first people and nations, and
recognises Aboriginal people as traditional owners and occupants of
South Australian land and waters.*



**Auditor-General's
Department**

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Hon Peter Malinauskas
Premier
Department of the Premier and Cabinet
Level 15 State Administration Centre
200 Victoria Square
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Dear Premier

Auditor-General's Department: Annual report for the year ended 30 June 2022

Attached is the annual report of the Auditor-General's Department for the year ended 30 June 2022, forwarded in line with the requirements of the *Public Sector Act 2009*.

This annual report summarises our performance and achievements in 2021-22 and gives an overview of what we have achieved in the four strategic priority areas of our corporate plan.

I am proud of our significant accomplishments this year, including that we:

- continued implementing our strategic plan for the period 2020-21 to 2023-24
- reviewed the structure of the department and moved to an overarching Branch structure, which also altered our Executive leadership and governance arrangements
- developed a 3-year communication strategy to maximise the impact of our reports
- redesigned our website to increase the ease of finding information and improving accessibility for people with disabilities for release in 2022-23
- reviewed and enhanced our audit methodology and practices in several key areas to ensure compliance with professional requirements and industry practice
- continued to enhance data collection and use of data to communicate additional and improved insights and developed practices to enable publication of data online in support of our Parliamentary reports.

- presented 9 reports to Parliament including topics of moment like COVID-19, climate change, cloud computing and waste management to complement our financial and controls opinion work
- continued our leadership and management development program and focussed on building our enterprise leadership capabilities for the future.

I would like to thank my professional and dedicated Executive and staff for their commitment and hard work in 2021-22. Their continuing effort and energy to implementing changes we are introducing through our corporate plan has been personally motivating and satisfying.

I would also like to acknowledge the cooperation of all public authorities with my staff during the year. An audit is a joint effort between auditor and auditee and I am grateful that chief executives and staff throughout the public sector share this same view and give their time and effort to the audit process.

I would be grateful if you would table this report at your earliest convenience.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson
Auditor-General

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2021-22 highlights

Corporate plan

This is the third year of our four-year plan, which focusses on the changes we must make to stay relevant in a changing world.

It was another busy year as we commenced and progressed major projects across all four of the key strategic priorities in our plan.

Reports

We developed a three-year communication strategy to maximise the impact of our reports.

The Annual Report of the Auditor-General for the year ended 30 June 2021 was presented to Parliament.

We completed reports on the Community Wastewater Management Systems Program, cloud computing arrangements, management of personal protective equipment by SA Health and COVID-19 Safe Check-In, and submitted them to Parliament.

In all we presented nine reports to Parliament. (See page 2 for a list of our reports)

Performance auditing

We are increasing the number of state and local government reviews we do in line with our targets.

Changes to the *Public Finance and Audit Act 1987* (PFAA) were passed last year, giving us the authority to complete reviews of local government agencies. Prior to this change we were only able to complete examinations of these agencies. The first report under these changes was submitted to Parliament in August 2022.

Audit methodology

We reviewed and enhanced our audit methodology and practices in several key areas to ensure compliance with professional requirements and industry practice.

Data analytics

We continued to enhance data collection and use of data to communicate additional and improved insights.

We started developing practices to publish data online in support of our Parliamentary reports, enabled by the changes to the PFAA.

Practice management system

We began implementing the second phase of improvements to our current practice management system to deliver more streamlined job management and provide more efficient and frequent information an enable effective management and reporting of costs.

Organisation structure review

We reviewed the structure of the Department and moved to an overarching branch structure, which also altered our executive leadership and governance arrangements.

Developing our people

While continuing to develop our existing leaders, we focussed on programs that were accessible to all staff. This included a continuation of delivering enterprise leadership workshops to our non-managerial staff, We also offered coaching programs and strengths based coaching to all staff.

We developed and implemented our wellbeing strategy, which has been complemented by our expansion of Employee Assistance Program services.

Audit Committees briefings

We held two briefings for the chairs of agency Audit Committees.

Reports presented to Parliament this year

24 August 2021	Report 11 of 2021 <i>Examination of management of the Community Wastewater Management System Program</i>
12 October 2021	Report 12 of 2021 <i>Annual report of the Auditor-General for the year ended 30 June 2021</i>
12 October 2021	Report 13 of 2021 <i>COVID-SAfe Check-In review</i>
12 October 2021	Report 14 of 2021 <i>Report on the Operations of the Auditor-General's Department for the year ended 30 June 2021</i>
26 October 2021	Report 15 of 2021 <i>State finances and related matters</i>
26 October 2021	Report 16 of 2021 <i>Cloud Computing in SA Government</i>
27 January 2022	Report 1 of 2022 <i>Update to the annual report for the year ended 30 June 2021</i>
27 January 2022	Report 2 of 2022 <i>SA Health's management of personal protective equipment</i>
6 April 2022	Report 3 of 2022 <i>Consolidated Financial Report Review</i>

What we do

‘We contribute to state and local government services being transparent, trusted and valued’

The Auditor-General makes an important contribution to public sector accountability by providing independent assurance to the Parliament that government activities are conducted and accounted for properly and in accordance with the law.

The Auditor-General’s responsibilities

Annual financial statement audits	<ul style="list-style-type: none"> • The PFAA requires the Auditor-General to provide opinions on whether public authorities’ financial statements reflect the financial position, results and cash flows of that financial year. • We perform this work in line with Australian Auditing Standards. This requires us to identify and assess the risks of material misstatement to a public authority’s financial report and design an audit program addressing these risks, inclusive of controls and other procedures to gather sufficient audit evidence to form our opinion. • Findings of our audits are detailed in Part C of the Auditor-General’s Annual Report to Parliament, and in an Update to the Annual Report published separately each year.
Annual controls opinion audit	<ul style="list-style-type: none"> • The PFAA requires the Auditor-General to provide an opinion on whether the controls exercised by the Treasurer and public authorities are sufficient to provide reasonable assurance that the financial transactions of the Treasurer and public authorities have been conducted properly and in accordance with law. • Annually we use the criteria reported in Part B of the Auditor-General’s Annual Report to Parliament to identify a program of work that informs the opinion. This criteria is based on quantitative and qualitative considerations across all public authorities we audit. Our annual program and significant outcomes are also reported in Part B.
Performance audits	<ul style="list-style-type: none"> • The PFAA enables the Auditor-General to conduct performance audits which involve examining the efficiency, economy and effectiveness with which a public authority uses its resources. • These are in-depth reviews performed with the objectives of contributing to public accountability and improvement in public sector governance. • Each year we identify a range of topics for potential review and prioritise them based on criteria such as the significance and risk, potential benefits and impact, auditability and previous audit findings relating to the topic. • Our performance audits are reported in individual reports to Parliament throughout the year.
Local government reviews/ examinations	<ul style="list-style-type: none"> • The PFAA authorises the Auditor-General to conduct reviews/examinations of the accounts and activities of a publicly funded body, project or local government indemnity scheme. • There is a broad scope and discretionary power of examination by the Auditor-General. • Each year we identify a range of topics for potential review and prioritise them based on a set criteria such as the significance and risk, potential benefits and impact, auditability and previous audit findings relating to the topic. • Our local government work is reported in individual reports to Parliament throughout the year.

The Auditor-General also has responsibility to:

- review and report on summaries of confidential government contracts at the request of a Minister
- lead the Auditor-General's Department as its chief executive.

Annual financial statement audits

The PFAA requires the Auditor-General to provide opinions on whether public authorities' financial statements reflect the financial position, results and cash flows of that financial year.

To meet this mandate and our professional auditing obligations, we identify and assess the risk of material misstatement of a financial report.

To do this, we are interested in controls relevant to identifying and assessing the risks of material misstatement, whether due to fraud or error, in the financial report. Reviewing controls is one way we can design and implement audit responses to the assessed risks.

As professional auditors, we are required to understand the agency and its environment, including its internal controls. We are also expected to take a controls reliance approach, where possible, to gathering sufficient and appropriate evidence to form our opinion. This is regarded as the most efficient and effective audit approach.

Auditors are required to understand internal controls that are relevant to the audit. Not all controls that relate to financial reporting are relevant to the audit. It is a matter of the auditor's professional judgement whether a control, individually or in combination with others, is relevant.

Indeed, we have found that many controls that are vital to whether a transaction is conducted properly and lawfully, may not affect whether the transaction is materially misstated in a financial report.

Any findings we identify from our review of controls are communicated to the agency through a procedural fairness process, which confirms the factual accuracy of the finding. Our more significant findings and any agency responses to them are detailed in Part C of the Annual Report to Parliament.

For those agencies not included in the Annual Report, a separate Update to the Annual Report is issued later.

Annual controls opinion audit

Our controls opinion approach involves planning our program from a whole of government perspective. Our 2021-22 program and its outcomes are reported in Part B of the Auditor-General's Annual Report to Parliament.

We focus our attention on controls over areas of importance across the whole of government based on the criteria explained in Part B. This means we can direct our limited resources to the areas we consider most significant.

This approach means we are likely to focus our annual controls program mainly on similar areas in similar agencies from year to year. This is because in most years the level of activity and spending for the largest parts of government activity, like payroll and goods and services, do not change. It does not mean we do not look at controls across all public authorities. We also review them through our focus on selected areas each year and through our financial report and performance audits.

Performance audits

These are in-depth reviews of the performance of an activity, IT system or other area of importance identified at the Auditor-General's discretion.

They may involve reviewing controls.

Any findings we identify from our performance audits are communicated to the agency through a procedural fairness process, which confirms the factual accuracy of them. Our findings and the agency's responses are detailed in individual reports to Parliament throughout the year.

Local government reviews/examinations

We are not the financial auditor for any of the State's 68 councils or their related bodies.

We select areas to report on from across the sector based on applying criteria aimed at identifying matters of most relevance at a point in time.

Any findings we identify from our examinations/reviews are communicated to the agency through a procedural fairness process, which confirms the factual accuracy of them.

Our findings and the agency's responses are detailed in individual reports to Parliament throughout the year.

Other responsibilities

The Auditor-General also has responsibility to:

- review and report on summaries of confidential government contracts at the request of a Minister
- lead the Auditor-General's Department as its chief executive.

The legislation

Principal legislation

The Auditor-General is appointed by Parliament under the *Public Finance and Audit Act 1987*.

The PFAA is part of the important accountability link between the Executive Government, the Parliament and the taxpayers of South Australia.

As well as establishing the Auditor-General's mandate, it prescribes the financial reporting obligations of the Treasurer and public sector agencies.

Other legislation

There are provisions in other Acts that have a direct influence on the Auditor-General and the Department.

These include statutes appointing the Auditor-General to audit public sector agencies, legislation covering special Commonwealth and State financial arrangements, the Independent Commissioner Against Corruption Act and the Public Interest Disclosure Act.

The Annual Report

The Auditor-General's Annual Report is the main communication between the Auditor-General and the Parliament and comprises:

- Part A: Executive summary – the opinions the Auditor-General is required to give under the PFAA and commentary on some key financial management and accounting matters arising from audits.
- Part B: Controls opinion – provides our observations on significant control matters identified from our controls opinion audit program.
- Part C: Agency audit reports – a summary of the outcomes of the audit of each agency, with a snapshot of key agency information covering financial statistics, significant events and transactions and whether the financial statement and controls opinions are unmodified or modified (qualified).
- Part D: Extended audits – reports on the outcomes of specific review work we have performed across a range of agencies.

The agencies we audit

A list of the agencies we audit is can be found in Appendix E.

Our vision, purpose and values

'We uphold the South Australian public sector values and our own values align with them'

Our purpose

We contribute to state and local government services being transparent, trusted and valued.

Our strategic priorities

Priority 1

Engage with clients in a way that results in a positive change to their practice and transparency for the public

Priority 2

Evolve the Department so that we deliver what Parliament and clients need

Priority 3

Make sure the way we lead gives us our best chance of achieving our 2030 vision

Priority 4

Run our Department as a modern business

What we value

Our values shape and influence the way we work and manage our business

Integrity

We act fairly, honestly, impartially and independently

Accountability

We value and take responsibility for the trust and resources invested in our function. We hold ourselves and others accountable for achieving results

Responsiveness

We listen and respond to our clients and stakeholders within the constraints of our independence

Collaboration

We value and support teamwork that builds relationships and cooperation across the Department. We value our working relationships with our clients

Courage and tenacity

We persevere, listen attentively, question thoughtfully and challenge openly, and encourage others to do the same

Respect

We value and strive for respectful relationships between our staff and with our clients and external stakeholders

Innovation

We encourage and value ideas for improvement

Strategic priority 1

‘Engage with clients in a way that results in a positive change to their practice and transparency for the public’

Key strategic actions

- Continue to revise reporting so it meets the needs of Parliament and our clients
- Invest in communications expertise for the business to get the messaging right
- Share findings and information with clients to encourage positive change to their practices

Our performance in 2021-22

Continuous improvement of our reporting

A number of our performance audit reports were externally reviewed by a panel of experts to identify improvement opportunities. The reviewed reports received a very high rating, with the average score slightly higher than what we received in our last review in 2019. There were a number of areas in which improvements were noted since the last review, including our increased use of visual aids, as well as some suggestions for future improvements that we will act on.

For the first time, we tabled a report in July this year on the results of our audits of agencies that have a financial year ending before 30 June, rather than waiting to include them in my annual report. This improved the timeliness of reporting on their activities,

We also expanded our 2020-21 Annual Report to Parliament to include a new volume, Part D, for the first time. The focus was on climate change – providing an overview of aspects of climate change management in South Australia, and our view of how some global governance, risk management and accountability developments could support and help improve climate change management practices. Part D of the 2021-22 Annual Report will focus on the outcomes of specific review work we performed across a range of agencies this year.

We are establishing the processes and infrastructure needed to publish data collected from our audit processes on our website, in response to the changes arising from the Statutes Amendment (Local Government Review) Bill 2021. The first of our reports under the amendment to our mandate was issued in August 2022. We also will be seeking to publish dashboards to accompany certain Parliamentary reports in 2022-23.

Enhancing other communication methods

We invested in enhancing our methods of communication by:

- redesigning our website to increase the ease of finding information and improve accessibility for people with disabilities. These changes will be fully implemented in 2022-23.
- with the help of an expert, developing a three-year communication strategy to maximise the impact of our reports. We expect to implement a number of the actions under this strategy in 2022-23.

Engagement with key stakeholders

We held two briefings for agency Audit Committee chairs this year. We discussed emerging audit matters and shared issues of mutual interest for the year. Invited speakers contributed to our themes of managing climate risks in South Australia, changes to the procurement framework, contract management, managing ICT vulnerability and cloud computing systems and the impact of proposed changes to Treasurer's Instructions 2 *Financial Management*.

Strategic priority 2

‘Evolve the Department so that we deliver what Parliament and clients need’

Key strategic actions

- Ensure our structure supports the achievement of our business goals
- Continue to work on the culture as we work on the business
- Ensure all our audit methodologies and practices comply with professional requirements and are consistent with industry practice

Our performance in 2021-22

Ensure our structure supports our business goals

We have been progressively reviewing our organisation structure to ensure it supports the achievement of our business goals, while providing us with the flexibility to respond to changing priorities.

As a result of the review, the Department has now been divided into three branches: Financial Audit, Performance Audit, and Business Services. The revised organisation structure can be found in Appendix B. As part of this restructure, the Local Government and Performance Audit teams were combined into one branch, which is expected to provide a number of benefits. The final structure of this branch will be determined once the resourcing of it has been settled.

The review of the Business Services branch is substantially complete, and most of the changes have been implemented. We recently hired a data engineer to support our data analytics strategy and future focus areas.

Our review of the Financial Audit branch structure identified opportunities to increase the flexibility in our work environment, to better respond to resourcing needs and provide more opportunity for skill development and progression.

For our 2021-22 audits, responsibility for signing of audit opinions was devolved to the Assistant Auditor-General (Financial Audit) for a number of lower risk audits. Devolving responsibility for lower risk work provides a greater focus for more senior staff on higher risk areas and supports a more managed approach giving staff additional responsibilities across their career development.

Further changes to give additional priority to higher risk audits and to provide opportunities and support for skill development will continue to progress in 2022-23.

Data analytics

We continued to progress activities in our four-year data analytics strategy, with an aim to drive the increased use of data in all aspects of our work.

With data analytics now embedded in our audit framework and being routinely used to inform our audit strategy, our focus in 2021-22 was to increase its usage to provide audit assurance.

OUR PERFORMANCE

We developed, trialled, and refined an application to provide substantive assurance over payroll processed through the main SA Government payroll system for major agencies, as well as smaller, localised use of data analytics techniques to assist audits. We will continue to enhance skills, data collection and use of data analytics in 2022-23.

Best practice audit methodologies

We completed a post-implementation review of our new financial audit methodology and identified areas of best practice and areas for further enhancement, which will be addressed progressively from 2022-23 onwards.

We finalised a framework that clarifies our expectations for considering public interest in undertaking our work as public sector auditors, which commenced in 2021-22.

We finalised reviews of both our sampling and materiality methodologies, to ensure they promote an efficient and effective approach and remain in line with industry standards. The updated methodologies will be fully implemented for 2022-23 audits.

Strategic priority 3

‘Make sure the way we lead gives us our best chance of achieving our 2030 vision’

Key strategic actions

- Build leadership that focusses on achieving organisational outcomes
- Acknowledge the talent we have and continue to build our capability and apply it to all aspects of our work
- Welcome people from outside the Department who can contribute fresh ideas and approaches, and who offer expertise on specific challenges.

Our performance in 2021-22

Building leadership capability

We delivered enterprise leadership workshops to all non-managerial staff. The workshops provided participants with an opportunity to choose a project that would challenge them and encourage their investment in a new experience. Our performance management process also provided the opportunity for senior leaders to lead discussions on how staff have contributed to departmental objectives beyond their immediate team goals, and the sharing of information and expertise outside of the team.

Enterprise leadership concepts are becoming part of our vocabulary and staff have been very willing to volunteer to participate in our strategic change projects.

With the workplace changing rapidly over the past two years, we continued to engage extensively with our leaders. Although we had introduced hybrid working before COVID-19 restrictions required us to work from home for significant periods, we invited managers to a ‘Leading in a Hybrid World’ workshop to bolster their existing skills.

Build our capability and apply it to all aspects of our work

Our development programs this year focussed on individual capability development. We offered coaching programs, a shorter ‘speed coaching’ activity and strengths profile assessments to all staff.

We expanded our facilitated peer learning activities to the deputy manager level, with participants exploring peer learning options to identify an approach that would be sustainable for this model of professional development.

Employee wellbeing

We implemented our wellbeing framework. We also procured a more comprehensive Employee Assistance Program.

Strategic priority 4

'Run our Department as a modern business'

Key strategic actions

- Have the business information we need to run an efficient operation
- Redirect resources to meet critical needs
- Invest in infrastructure

Our performance in 2021-22

Improving our business information

We started implementing the second phase of improvements to our current practice management system to deliver more streamlined job management, implementing an online solution to provide more efficient and frequent information and more effective management and reporting of costs (both audit and administrative).

Redirect resources to meet critical needs

We have successfully moved resources to increase the capacity of the Performance Audit branch to enhance our ability to achieve our goal of providing more performance audit reports to Parliament in both the state and local government sectors and to build our data analytics capabilities.

We still need a significant further increase to the capacity of these areas to achieve our goals, however our ability to achieve this will be heavily dependent on our allocated budget. I have drawn attention to these concerns in Part A of my 2021-22 Annual Report to Parliament.

Investing in our infrastructure

In 2021-22, we continued to enhance our cyber security controls to increase our maturity rating against the South Australian Cyber Security Framework and the Australian Cyber Security Centre's Essential Eight maturity model.

Additional ICT activities during this period have included establishing more robust and regular vulnerability scanning activities, a project to replace our external public facing website and infrastructure changes to enable staff to securely authenticate and access various ICT applications remotely.

Established an ICT Steering Committee

During the year we established an ICT Steering Committee to:

- develop an ICT strategic plan that ensures the effective development, application and management of ICT systems and resources
- review current and future technologies to identify opportunities to improve the way we work
- monitor and evaluate ICT projects and achievements against the ICT strategic plan
- advise the Executive Management Group on significant ICT issues.

Measures of performance

Currently we audit **159** agency financial statements, which is slightly higher than last year. A list of the agencies we audit is provided in Appendix E.

One measure of our audit performance is the time it takes us to issue an audit opinion to our clients, although delays can occur for many reasons that are outside of our control. We reduced the average time taken in 2021-22.

Audit activity output measures (financial years)			
	2019-20	2020-21	2021-22
Average working days between an agency's end of financial year and issuing an Independent Auditor's Report	73	74	70

Also relevant to understanding how we have performed is the number of hours we commit to audits. The actual hours charged for financial report and controls opinion audits for the past three audit years are shown in the next table.

These hours are generally recovered from public sector agencies through audit fees and provide a measure of the resources we commit to undertaking audits.

Hours charged to audits			
	2019-20	2020-21	2021-22
Conduct of audits (hours)	98 400	92 100	94 700
Management of audits (hours)	12 100	11 700	12 500
Total hours charged	110 500	103 800¹	107 200

¹ The reduction in the number of hours we committed to financial report and controls opinion audits in 2020-21 reflects the planned commitment of resources to other audit areas.

Our financial report

Auditor-General's Department

Statement of Comprehensive Income for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Expenses:			
Employee expenses	2	13 751	13 805
Supplies and services:			
Contractors		1 163	1 244
Office accommodation and service costs	12	888	770
Consultancies		469	431
Other supplies and services	5	1 445	1 296
Return of cash to the consolidated account	6.1	3 000	-
		6 965	3 741
Depreciation and amortisation		265	284
Total expenses		20 981	17 830
Income:			
Appropriation and contingency provision grant	6.2	18 680	18 443
Services received free of charge	7	80	84
Other income		1	1
Total income		18 761	18 528
Net result		(2 220)	698
Total comprehensive result		(2 220)	698

Net result and total comprehensive result are attributable to the SA Government as owner

**Statement of Financial Position
as at 30 June 2022**

	Note	2022 \$'000	2021 \$'000
Current assets:			
Cash and cash equivalents	8	5 580	8 101
Receivables	9	150	142
Total current assets		<u>5 730</u>	<u>8 243</u>
Non-current assets:			
Computing and office facilities	10	86	306
Right of use plant & equipment	10	13	34
Intangible assets	10	8	16
Total non-current assets		<u>107</u>	<u>356</u>
Total assets		<u>5 837</u>	<u>8 599</u>
Current liabilities:			
Payables	11	601	564
Lease liabilities		10	21
Employee benefits	3	1 992	2 238
Provision for workers compensation	4	24	24
Total current liabilities		<u>2 627</u>	<u>2 847</u>
Non-current liabilities:			
Payables	11	369	390
Lease liabilities		2	13
Employee benefits	3	3 478	3 770
Provision for workers compensation	4	60	58
Total non-current liabilities		<u>3 909</u>	<u>4 231</u>
Total liabilities		<u>6 536</u>	<u>7 078</u>
Net assets		<u>(699)</u>	<u>1 521</u>
Equity:			
Retained earnings		(699)	1 521
Total equity		<u>(699)</u>	<u>1 521</u>

Total equity is attributable to the SA Government as owner

Commitments 12

**Statement of Changes in Equity
for the year ended 30 June 2022**

	Retained earnings \$'000	Total \$'000
Balance at 30 June 2020	823	823
Total comprehensive result for the year 2020-21	698	698
Balance at 30 June 2021	1 521	1 521
Total comprehensive result for the year 2021-22	(2 220)	(2 220)
Balance at 30 June 2022	(699)	(699)

All changes in equity are attributable to the SA Government as owner

**Statement of Cash Flows
for the year ended 30 June 2022**

	2022 Inflows (Outflows) \$'000	2021 Inflows (Outflows) \$'000
Cash flows from operating activities:		
Cash outflows:		
Employee expenses	(14 249)	(13 753)
Supplies and services	(4 258)	(4 016)
Return of cash to the consolidated account	(3 000)	-
Payments for Paid Parental Leave Scheme	(69)	(26)
Cash inflows:		
Other income	1	1
Goods and services tax refunds from Australian Taxation Office	372	355
Receipts for Paid Parental Leave Scheme	56	41
Appropriations and contingency provision grant	18 680	18 443
Net cash provided by (used in) operating activities	(2 467)	1 045
Cash flows from investing activities:		
Cash outflows:		
Purchase of computing and office facilities	(32)	(208)
Purchase of intangible assets	-	(14)
Net cash provided by (used in) investing activities	(32)	(222)
Cash flows from financing activities:		
Cash outflows:		
Repayment of leases	(21)	(28)
Repayment of borrowings	(1)	(1)
Net cash provided by (used in) financing activities	(22)	(29)
Net increase (decrease) in cash and cash equivalents	(2 521)	794
Cash and cash equivalents at 1 July	8 101	7 307
Cash and cash equivalents at 30 June	5 580	8 101

Notes to and forming part of the financial statements

1. Objectives of the Auditor-General's Department (the Department)

The Department is an administrative unit of the public service established under the *Public Finance and Audit Act 1987* (PFAA). It is a wholly owned and controlled entity of the Crown. Accordingly, all government-related entities are related parties of the Department.

The Department's main statutory responsibilities are to audit and examine the activities of State and Local Government agencies and to report the results to Parliament as required by the PFAA.

Controlled

The Department's sole activity is the provision of auditing services covering the various audit and examination responsibilities prescribed under the PFAA. Within this activity class there are two sub-activities:

Prescribed audits

Includes all audit and examination work for State and Local Government agencies initiated and undertaken by the Auditor-General under the PFAA. During the year the Department spent \$17.98 million (\$17.4 million) on this activity. The main component of work relates to the annual statutory audit of State public sector agencies.

Special investigations

Under the PFAA, the Parliament, Treasurer, a Minister or the Independent Commissioner Against Corruption can require the Auditor-General to undertake certain examinations and report these to Parliament. In 2021-22 there were no such requests that resulted in expenditure on this activity. In the 2020-21 year \$421 000 was spent.

Administered

We also administer certain activities on behalf of the SA Government but do not control the related income, expenses, assets or liabilities. These comprise the following two activities:

Receiving and passing on auditing fees

We charge fees for our audits as permitted by section 39 of the PFAA, but do not retain these fees. We transfer audit fees, less GST, into the SA Government's Consolidated Account as they are received.

Administering special acts

Section 24(4) of the PFAA provides that the salary and allowances of the Auditor-General, as determined by the Governor, will be paid from the SA Government's Consolidated Account. The Auditor-General's remuneration, and recoveries from the Consolidated Account for it, are reported as administered items.

2. Employee expenses	2022	2021
Employee benefits:	\$'000	\$'000
Salaries	10 897	10 882
Annual leave	999	940
Long service leave	(215)	(64)
Skills and experience retention leave	71	64
Total employee benefits	11 752	11 822
Employee on-costs:		
Superannuation	1 282	1 232
Payroll tax	662	663
Total employee on-costs	1 944	1 895
Workers compensation	11	24
Other employee related expenses	44	64
Total employee expenses	13 751	13 805

2.1 <i>Remuneration of employees</i> The number of employees whose normal remuneration is equal to or greater than the base executive remuneration level during the year are grouped within the following bands:	Executive		Staff	
	2022 Number	2021 Number	2022 Number	2021 Number
\$154 001 - \$157 000*	n/a	-	n/a	1
\$157 001 - \$177 000	-	-	2	1
\$177 001 - \$197 000	1	-	-	-
\$197 001 - \$217 000	3	4	-	-
\$217 001 - \$237 000	1	-	-	-
\$237 001 - \$257 000	1	1	-	-
\$257 001 - \$277 000	-	1	-	-
\$277 001 - \$297 000	1	-	-	-
\$397 001 - \$417 000	-	1	-	-
\$417 001 - \$437 000	1	-	-	-
Total	8	7	2	2

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2020-21.

The table includes all employees whose normal remuneration is equal to or greater than the base executive remuneration level. Total remuneration received or receivable by these employees was \$2.36 million (\$2.04 million).

The employee remuneration figures detailed above include employee remuneration recorded in both the Department's financial statements and in its administered financial statements.

2.2 *Key management personnel*

The key management personnel of the Department are the Auditor-General, the Deputy Auditor-General, two Assistant Auditor-General's and four Executive Directors.

Total compensation for the Department's key management personnel was \$2.02 million (\$1.73 million). This includes compensation recorded in both the Department's financial statements and in the administered financial statements.

2.3 *Targeted voluntary separation packages*

The number of employees who received a rejuvenation scheme payment during the reporting period was one at a cost of \$47 000, met by the department. No payments were made in the previous financial year.

3. Employee benefits liability	2022	2021
Current:	\$'000	\$'000
Salaries	8	356
Annual leave	1 613	1 497
Long service leave	262	284
Skills and experience retention leave	109	101
Total current	1 992	2 238
Non-current:		
Long service leave	3 478	3 770
Total non-current	3 478	3 770
Total employee benefits	5 470	6 008

Salaries

Liabilities for unpaid salaries for service prior to the reporting date are measured at current pay rates.

Annual leave and skills and experience retention leave

The annual leave liability and the skills and experience retention leave liability are expected to be payable within 12 months and are measured at the undiscounted amount expected to be paid. The salary inflation rate applied decreased from 2% to 1.5%.

Sick leave

No liability is recognised, as all sick leave is non-vesting and the average sick leave taken is estimated to be less than the annual entitlement for sick leave.

Long service leave

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. An actuarial assessment of long service leave liability has been undertaken by the Department of Treasury and Finance. The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data for SA Government entities. Expected future payments are discounted using government bonds rates with durations that align with estimated future cash flows.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds increased from 1.25 % to 3.50% at 30 June 2022.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service liability of \$523,000 and employee benefit expense of \$523,000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long-term discount rate.

The actuarial assessment by the Department of Treasury and Finance left the salary inflation rate at 2.5% for long service leave. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The long service leave expected to be taken in the 12 months to 30 June 2023 (current long service leave), has been estimated by adding the estimated termination payments in this period to the estimated long service leave to be taken by ongoing employees in the 12 months (based on previous years' experience). The basis of calculation is similar to that used in previous years.

4. Provision for workers compensation	2022	2021
Current:	\$'000	\$'000
Provision for workers compensation	24	24
Total current	<u>24</u>	<u>24</u>
Non-current:		
Provision for workers compensation	60	58
Total non-current	<u>60</u>	<u>58</u>
Total provision	<u>84</u>	<u>82</u>
Carrying amount at 1 July	82	61
Increase (Decrease) in provision	2	21
Carrying amount at 30 June	<u>84</u>	<u>82</u>

The Department is responsible for the payment of workers compensation claims. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. The workers compensation provision is an actuarial estimate of the outstanding liability at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

5. Other supplies and services	2022	2021
	\$'000	\$'000
Computing and network processing costs	726	787
Staff recruitment, development and training	336	204
Other expenses	246	164
Shared Services SA charges	59	62
Motor Vehicles	50	51
Audit Fees *	18	23
Staff travel, accommodation and allowances	10	5
Total other supplies and services	<u>1 445</u>	<u>1 296</u>

* The Governor, on recommendation of the Treasurer, in accordance with the PFAA, appoints the auditor of the Auditor General's Department.

6. Payments to/from SA Government**6.1 Return of cash to the consolidated account**

In 2021-22 the Department paid \$3 million to the Consolidated Account for the return of surplus cash in accordance with the principles of the cash alignment policy.

6.2 Appropriation and contingency provision

Appropriations to the Department in 2021-22 amounted to \$18.68 million (\$18.443 million). A contingency provision grant was not received in 2021-22 or the previous year.

7. Resources received free of charge	2022	2021
	\$'000	\$'000
Services received free of charge – Shared Services SA	58	62
Services received free of charge – ICT Digital Government	22	22
Total resources received free of charge	80	84

The Department is only charged for non-standard services received.

8. Cash and cash equivalents	2022	2021
Deposits with the Treasurer:	\$'000	\$'000
Auditor-General's Department Operating Account	3 411	5 587
Accrual Appropriation Excess Funds	2 169	2 514
Total cash and cash equivalents	5 580	8 101

9. Receivables	2022	2021
Current:	\$'000	\$'000
Goods and services tax	149	142
Other	1	-
Total current	150	142

Assets that are sold, consumed or realised as part of the normal operating cycle have been classified as current.

10. Non-current assets	2022	2021
10.1 Classes of assets	\$'000	\$'000
Computing and office equipment – at cost	874	871
Accumulated depreciation	863	819
	11	52
Laptop computer equipment – at cost	797	797
Accumulated depreciation	776	606
	21	191
Right of use plant and equipment	56	69
Accumulated depreciation	43	35
	13	34
Leasehold improvements – at cost	864	851
Accumulated depreciation	810	788
	54	63
Intangible assets – Computer software – at cost	534	534
Accumulated amortisation	526	518
	8	16
	107	356

10.2 Reconciliation of carrying amount	Carrying amount			Depreciation/	Carrying amount
	01.07.21	Additions	Disposals	Amortisation	30.06.22
	\$'000	\$'000	\$'000	\$'000	\$'000
Computing and office equipment	52	3	-	44	11
Laptop computer equipment	191	-	-	170	21
Right of use plant and equipment	34	-	-	21	13
Leasehold improvements	63	13	-	22	54
Computer software	16	-	-	8	8
Total computing and office facilities	356	16	-	265	107

Computing and office facilities are held at fair value as required by the Accounting Policy Statements. We use cost less accumulated depreciation to determine fair value. Intangible assets are held at cost less accumulated amortisation. During the year, approval was provided by the Department of Treasury and Finance to increase our threshold for capitalising items to \$10 000. There are no indications of impairment of our assets.

We depreciate/amortise all assets over three years except laptops which we depreciate over two years. Depreciation and amortisation is on a straight-line basis. All computing and office facilities are classified as level 3 as a key input is management's assessment of the useful life and condition.

The Department has motor vehicle leases with the South Australian Government Financing Authority (SAFA), through their agent LeasePlan Australia. Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Lease terms are three years (60 000 km). The lease rate is determined according to the type of vehicle being leased and the number of months of the lease period and are reviewed annually. No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.

11. Payables	2022	2021
Current:	\$'000	\$'000
Employee on-costs	453	409
Creditors	85	87
Accrued expenses	61	53
Paid Parental Leave Scheme payable	2	15
Total current	601	564
Non-current:		
Employee on-costs	369	390
Total non-current	369	390
Total payables	970	954

Employment on-costs

Include payroll tax and superannuation contributions. Superannuation contributions are paid to the South Australian Superannuation Board. The Department does not have any liability for payments to beneficiaries as these have been assumed by the respective superannuation schemes. The superannuation liabilities reported reflect amounts to be paid to the South Australian Superannuation Board.

Other payables

Payables are normally settled within 30 days from the date of the invoice or date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables approximates fair value.

12. Commitments

<i>Other contractual commitments</i>	2022	2021
At the reporting date the Department had the following obligations:	\$'000	\$'000
Not later than one year	1 816	1 932
Later than one year but not later than five years	1 268	1 731
Total contractual commitments as lessee	3 084	3 663

Office accommodation

The Department has accommodation services provided by the Department for Infrastructure and Transport (DIT) under a Memorandum of Administrative Arrangement (MoAA) issued in accordance with government-wide accommodation policies.

The current tenancy term is to 30 June 2024, with three years right of renewal to 30 June 2027.

Audit services

Obligations under non-cancellable contracts for audit services. These obligations have not been recognised as liabilities.

Other expenditure commitments

Obligations for other services under a contract arrangement, which have not been recognised as liabilities.

13. Significant accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements, prepared in line with applicable Australian Accounting Standards – simplified disclosures, and Treasurer’s Instructions (Accounting Policy Statements) issued under the PFAA. The Accounting Policy Statements require certain disclosures in addition to Australian Accounting Standards.

We have not early-adopted any Australian Accounting Standards or Australian interpretations issued by the Australian Accounting Standards Board.

The Department is a not-for-profit entity for financial reporting purposes.

The historical cost convention is used, unless otherwise stated. This means that assets are recorded at their initial cost and liabilities are valued at the amount initially received in exchange for the obligation.

The administered financial statements have been prepared applying the same accounting policies as for items controlled by the Auditor-General’s Department.

(b) Taxation

The Department is liable for payroll tax, fringe benefits tax and goods and services tax (GST) but not income tax. Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office it is recognised as part of the cost of acquisition of an asset or as part of an item of expense
- receivables and payables which are stated with the amount of GST included.

Operating cash flows in the Statement of Cash Flows include GST. The GST on investing and financing cash flows are included as operating cash flows.

(c) Appropriation and Contingency Provision

We are funded by Parliamentary appropriations, paid into a special deposit account titled ‘Auditor-General’s Department Operating Account’. We are also appropriated for some expenses that will not require a cash payment, such as depreciation. Some appropriations are deposited into a special deposit account at the Department of Treasury and Finance titled ‘Accrual Appropriation Excess Funds’. Although we control this money, its use must be separately approved by the Treasurer. We do not earn interest on either of these special deposit accounts.

The appropriation for special acts reported in the administered financial statements relates to recoveries from the SA Government for the Auditor-General’s salary. Salary amounts paid which are yet to be recovered are recorded as appropriation receivable.

Other significant accounting policies are described under related notes.

14. Changes in accounting policy

In 2021-22 pursuant to clause 116.A of the Treasurer’s Instructions APS the department received approval to increase the asset materiality threshold for capitalising property, plant and equipment from \$2 000 to \$10 000. As at 30 June 2022 we have a small number of assets with a net value of \$3 700 which had an original purchase price below \$10 000. All but one of these will be fully depreciated in the next 12 months.

15. Financial instruments	Carrying amount	
	2022	2021
Financial assets	\$'000	\$'000
Cash and cash equivalents	5 580	8 101
Receivables*	1	-
Total financial assets	<u>5 581</u>	<u>8 101</u>
Financial liabilities at amortised cost		
Payables	146	140
Lease liabilities	2	34
Total financial liabilities	<u>148</u>	<u>174</u>

* Receivables amounts disclosed exclude amounts relating to statutory receivables where rights or obligations have their source in legislation such as the goods and services tax.

16. Budgetary reporting and explanations of major variances

The following provides details of the 2021-22 original budget, actual amounts and the associated variances.

Statement of Comprehensive Income	Original budget	Actual	Variance
	\$'000	\$'000	\$'000
Expenses:			
Employee expenses	14 359	13 751	(608)
Supplies and services:			
Contractors	1 885	1 163	(733)
Office accommodation and service costs	814	888	48
Consultancies	160	469	309
Other supplies and services	1 139	1 445	343
Return of cash to the consolidated account	-	3 000	(3) 000
Depreciation and amortisation	258	265	7
Total expenses	<u>18 615</u>	<u>20 981</u>	<u>(1) 2 366</u>
Income:			
Appropriations and contingency provision grant	18 616	18 680	64
Services received free of charge	-	80	80
Other income	1	1	-
Total income	<u>18 617</u>	<u>18 761</u>	<u>144</u>
Net result and total comprehensive result	<u>2</u>	<u>(2 220)</u>	<u>(1) (2 222)</u>
Investing expenditure summary:			
Minor capital works and equipment	245	32	(213)
Total annual programs	<u>245</u>	<u>32</u>	<u>(213)</u>

The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2021-22 Budget Paper 4) and the amounts have not been adjusted to reflect revised budgets. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements.

(1) The variance in total expenses, total income and the net result and total comprehensive result is due to the payment of \$3 million to the consolidated account for the return of surplus cash in accordance with the principles of the cash alignment policy. The Department is not budgeted for this.

**Statement of Administered Comprehensive Income
for the year ended 30 June 2022**

	2022	2021
	\$'000	\$'000
Expenses:		
Employee expenses	316	345
Audit fees paid/payable to Consolidated Account	16 398	16 496
Total expenses	<u>16 714</u>	<u>16 841</u>
Income:		
Fees for audit services	16 398	16 496
Appropriation – Special Acts	352	339
Total income	<u>16 750</u>	<u>16 835</u>
Net result	<u>36</u>	<u>(6)</u>
Total comprehensive result	<u>36</u>	<u>(6)</u>

**Statement of Administered Financial Position
as at 30 June 2022**

	Note	2022	2021
		\$'000	\$'000
Current assets:			
Cash and cash equivalents		525	331
Receivables	A1	780	1 282
Total assets		<u>1 305</u>	<u>1 613</u>
Current liabilities:			
Employee benefits		52	71
Audit fees payable to Consolidated Account		980	1 268
Goods and services tax payable		125	145
Total current liabilities		<u>1 157</u>	<u>1 484</u>
Non-current liabilities:			
Employee benefits – long service leave		360	377
Total non-current liabilities		<u>360</u>	<u>377</u>
Total liabilities		<u>1 517</u>	<u>1 861</u>
Net assets		<u>(212)</u>	<u>(248)</u>
Equity:			
Retained earnings		(212)	(248)
Total equity		<u>(212)</u>	<u>(248)</u>

**Statement of Administered Cash Flows
for the year ended 30 June 2022**

		2021 Inflows (Outflows) \$'000	2021 Inflows (Outflows) \$'000
Cash flows from operating activities:	Note		
Cash outflows:			
Employee expenses		(352)	(339)
Amounts paid to Consolidated Account		(16 686)	(15 632)
Goods and services tax paid to Australian Taxation Office		(1 660)	(1 620)
Cash inflows:			
Fees for audit services	A1	18 553	17 333
Cash flows from SA Government:			
Appropriations – Special Acts		339	339
Net cash provided by (used in) operating activities		<u>194</u>	<u>81</u>
Net increase (decrease) in cash and cash equivalents		194	81
Cash and cash equivalents at 1 July		<u>331</u>	<u>250</u>
Cash and cash equivalents at 30 June		<u>525</u>	<u>331</u>

Notes to and forming part of the administered financial statements

A1. Audit Fee Receivables	2022 \$'000	2021 \$'000
Fees outstanding at 1 July	1 256	444
Billings	<u>18 038</u>	<u>18 145</u>
	19 294	18 589
Receipts	<u>18 553</u>	<u>17 333</u>
Fees outstanding at 30 June	<u>741</u>	<u>1 256</u>
Other Receivables	2022 \$'000	2021 \$'000
Appropriation receivable	39	26

Special Acts appropriation for the Auditor-General's salary is received one month in arrears.

A2. Changes in accounting policy

In 2020-21 the recognition of appropriation receivable for special acts in the administered financial statements was introduced to recognise salary paid to the Auditor-General which is yet to be recovered.

A3. Budgetary reporting and explanations of major variances

The following provides details of the 2021-22 original budget, actual amounts and the associated variances. No explanations are provided as the variances do not exceed the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

Statement of Comprehensive Income	Original Budget \$'000	Actual \$'000	Variance \$'000
Expenses:			
Employee expenses	360	316	(44)
Amounts paid/payable to Consolidated Account	16 641	16 398	(243)
Total expenses	<u>17 001</u>	<u>16 714</u>	<u>(287)</u>
Income:			
Fees for audit services	16 641	16 398	(243)
Appropriation – Special Acts	348	352	4
Total income	<u>16 989</u>	<u>16 750</u>	<u>(239)</u>
Net result and total comprehensive result	<u>(12)</u>	<u>36</u>	<u>48</u>

The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2021-22 Budget Paper 4) and the amounts have not been adjusted to reflect revised budgets. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements.

OFFICIAL

Certification of the Financial Statements

We certify that the:

- financial statements of the Auditor-General's Department:
 - are in accordance with the accounts and records of the department;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the department at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Auditor-General's Department for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Andrew Richardson
Auditor-General

9 September 2022



Megan Stint
Manager, Finance

9 September 2022



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**INDEPENDENT AUDITOR'S REPORT
TO THE TREASURER OF THE SOUTH AUSTRALIAN GOVERNMENT OFR THE AUDITOR-
GENERAL'S DEPARTMENT**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Auditor-General's Department (the Department), which comprises the statement of financial position and statement of administered financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, the statement of administered comprehensive income and the statement of administered cash flow for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the Certification of the Financial Report.

In our opinion the accompanying financial report of Auditor-General's Department, is in accordance with the *Public Finance and Audit 1987*, including:

- (i) The financial report presents fairly, in all material respects, the financial position of the Department as at 30 June 2022, and of its financial performance and cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards - Simplified Disclosures
- (ii) The financial report also complies with the accounts and records of the Department.

We have obtained all of the information and explanations required from the Department.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor General's responsibility for the Financial Report

The Auditor General is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the *Public Finance and Audit Act 1987* and the Australian Accounting Standards - Simplified Disclosures for such internal control as the Auditor-General determines necessary to enable the preparation of the financial report that presents fairly and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Auditor General is responsible for assessing the Department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

BDO Audit (SA) Pty Ltd ABN 33 161 379 086 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (SA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'BDO' in a stylized, cursive font.

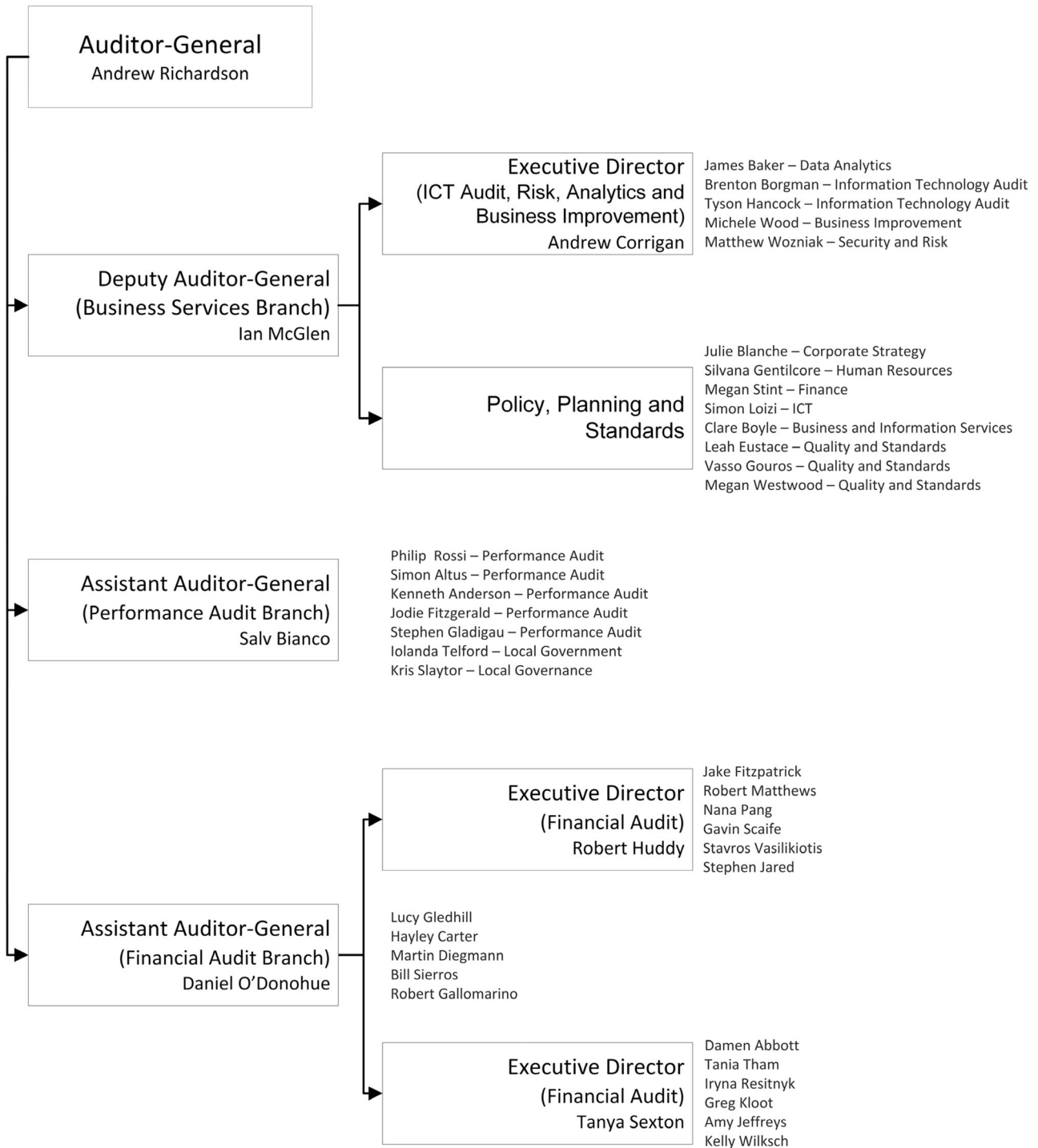
BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink that reads 'Andrew Tickle' in a cursive font.

Andrew Tickle
Director

Adelaide, 14 September 2022

Our organisation structure



Our workforce profile

The Department has an approved staffing establishment of **124.2** FTEs, including the Auditor-General. On 30 June 2022 we employed **133** people (compared with 134 last year). The average FTE level for 2021-22 was **122.5** (compared with 127.1 last year).

The following tables profile our workforce.

Gender

Employees by gender (as at 30 June 2022)

	People	FTEs
Female	53%	50%
Male	47%	50%

Age profile

Employees by age (as at 30 June 2022)

Age brackets	Number of employees	% of workforce
<30	36	27
30-40	34	26
40-50	24	18
50-60	31	23
60+	8	6
Total	133	100

Disability

Employees who have a declared disability (as at 30 June 2022)

Number of employees	4
% of workforce	3

Aboriginal and Torres Strait Islander

Aboriginal and Torres Strait Islander employees (as at 30 June 2022)

Number of employees	3
% of workforce	2

Cultural and linguistic diversity

Employees who have cultural and linguistic diversity (as at 30 June 2022)

	Number of employees	% of workforce
Born overseas	31	23
Speak a language/s other than English	36	27

Part-time work

Employees who work on a part-time basis (as at 30 June 2022)

Number of employees	25
% of workforce	19

Executive employment

Classification level	2017-18	2018-19	2019-20	2020-21	2021-22
CEO	1	1	1	1	1
SAES Level 1	6	6	6	6	7
Total	7	7	7	7	8

Graduate employment

	2017-18	2018-19	2019-20	2020-21	2021-22
Number engaged	15	11	7	7	13

Employee turnover

	2017-18	2018-19	2019-20	2020-21	2021-22
	8%	12%	6%	3%	12%

Further workforce information is available from the Office of the Commissioner for Public Sector Employment at the following link:

www.publicsector.sa.gov.au/about/Our-Work/Reporting/Workforce-Information

Specific disclosures

Financial performance

Financial performance for the three years to 30 June 2022

	Budget	Actual		
	2021-22 \$000	2021-22 \$000	2020-21 \$000	2019-20 \$000
Net cost of providing services	18,614	*17,900	17,745	17,757
Total audit fees raised	16,641	16,398	16,496	15,726
Total assets	7,586	5,837	8,599	7,819
Total liabilities	6,759	6,536	7,078	6,996

* Net cost of providing services in 2021-22 does not include the return of cash to the Consolidated Account. The return of cash does not indicate a reduced need for funding to achieve the Auditor-General's statutory responsibilities. Rather, as reported in Part A of his 2021-22 Annual Report, the Auditor-General requires and has requested additional resources on an ongoing basis to meet his statutory and professional audit obligations.

Consultants

Consultants are sometimes used to provide expert advice on matters associated with an audit, special investigation, or a particular aspect of the Department's operations. The following is a summary of external consultants that have been engaged, the nature of the work undertaken and the total cost. Consultancy expenses were \$469,000 in 2021-22 (\$431,000 in 2020-21).

Consultancies in 2021-22	Number	\$000
Under \$10,000	3	16
\$10,000 – \$50,000	4	87
Above \$50,000:	4	
Deloitte – Systems authentication audit services		60
KPMG – Actuarial services		88
Ernst & Young – Actuarial services		91
Vincent's – Effectiveness review performance audit services		127
Total	11	469

Fraud management

We aim for a workplace that is free of fraud, with internal controls in place to either prevent or detect it. Staff are bound by the Code of Ethics for the South Australian Public Sector issued under the *Public Sector Act 2009*. We have policies on ethical conduct in the workplace and our fraud management policy aligns with the South Australian public sector fraud and corruption control policy.

During the year fraudulent activity related to the use of Cabcharge e-tickets was detected. The attempted fraud was not made by any employees and the Department was fully compensated by the service provider. We are not aware of any other actual, suspected, or alleged fraudulent activity affecting the Department in 2021-22.

Public Disclosure Act 2018

We have nominated responsible officers to receive and action disclosures under the *Public Disclosure Act 2018*. All complaints under this Act are investigated in line with the Department's policy.

All instances of disclosure of public interest information to a responsible officer of the Department under the *Public Disclosure Act 2018* were either referred to the appropriate agency or reviewed as part of the audit process.

List of the agencies we audit

Aboriginal Lands Trust
Adelaide Cemeteries Authority
Adelaide Festival Centre Trust
Adelaide Festival Corporation
Adelaide Film Festival
Adelaide Oval SMA Limited
Adelaide Venue Management Corporation
Agents Indemnity Fund
Alinytjara Wilurara Natural Resources Management Board
Art Gallery Board
Attorney-General's Department
Australian Children's Performing Arts Company
Australian Energy Market Commission
Barossa Hills Fleurieu Local Health Network Incorporated
Board of the Botanic Gardens and State Herbarium
Carrick Hill Trust
Central Adelaide Local Health Network Incorporated
Child Protection – Department for
Coast Protection Board
Commission on Excellence and Innovation in Health
Construction Industry Training Board
Correctional Services – Department for
Courts Administration Authority
CTP Regulator
Dairy Authority of South Australia
Defence SA
Distribution Lessor Corporation
Dog and Cat Management Board
Dog Fence Board
Education – Department for
Electoral Commission of South Australia
Energy and Mining – Department for
Environment and Water – Department for
Environment Protection Authority
Essential Services Commission of South Australia
Eyre and Far North Local Health Network Incorporated
Eyre Peninsula Landscape Board
Flinders and Upper North Local Health Network Incorporated
Flinders University
Generation Lessor Corporation
Governors' Pensions Scheme
Green Adelaide Board
Health and Wellbeing – Department for
Health Services Charitable Gifts Board
Hills Fleurieu Landscape Board
History Trust of South Australia
HomeStart Finance
House of Assembly
Human Services – Department of
Independent Commissioner Against Corruption
Independent Gaming Corporation Ltd
Infrastructure and Transport – Department for

Infrastructure SA
Innovation and Skills – Department for
International Koala Centre of Excellence
Joint Parliamentary Service
Judges' Pensions Scheme
Judicial Conduct Commissioner
Kangaroo Island Landscape Board
Legal Services Commission
Legislative Council
Libraries Board of South Australia
Lifetime Support Authority of South Australia
Limestone Coast Landscape Board
Limestone Coast Local Health Network Incorporated
Local Government Finance Authority of South Australia
Lotteries Commission of South Australia
Mamungari Conservation Park Co-management Board
Minister for Primary Industries and Regional Development – Adelaide Hills Wine Industry Fund
Minister for Primary Industries and Regional Development – Barossa Wine Industry Fund
Minister for Primary Industries and Regional Development – Citrus Growers Fund
Minister for Primary Industries and Regional Development – Clare Valley Wine Industry Fund
Minister for Primary Industries and Regional Development – Grain Industry Fund
Minister for Primary Industries and Regional Development – Grain Industry Research and
Development Fund
Minister for Primary Industries and Regional Development – Langhorne Creek Wine Industry Fund
Minister for Primary Industries and Regional Development – McLaren Vale Wine Industry Fund
Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund
Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
Minister for Primary Industries and Regional Development – South Australian Cattle Industry Fund
Minister for Primary Industries and Regional Development – South Australian Grape Growers
Industry Fund
Minister for Primary Industries and Regional Development – South Australian Pig Industry Fund
Minister for Primary Industries and Regional Development – South Australian Sheep Industry Fund
Motor Accident Commission
Murraylands and Riverland Landscape Board
Museum Board
Native Vegetation Fund
Northern Adelaide Local Health Network Incorporated
Northern and Yorke Landscape Board
Office for Public Integrity
Office for Recreation, Sport and Racing
Office of Green Industries SA
Office of Hydrogen Power South Australia
Office of the Commissioner for Public Sector Employment
Office of the Industry Advocate
Office of the National Rail Safety Regulator
Office of the South Australian Productivity Commission
Outback Communities Authority
Parliamentary Superannuation Scheme
Planning and Development Fund
Police Superannuation Scheme
Premier and Cabinet – Department of the
Premier's Delivery Unit
Primary Industries and Regions – Department of
Professional Standards Council
Public Trustee
Rail Commissioner

Residential Tenancies Fund
Retail Shop Leases Fund
Return to Work Corporation of South Australia
Riverland Mallee Coorong Local Health Network Incorporated
Rural Industry Adjustment and Development Fund
SA Ambulance Service Inc
SACE Board of South Australia
Second-hand Vehicles Compensation Fund
Small Business Commissioner
South Australia Police
South Australian Ambulance Service Superannuation Scheme
South Australian Arid Lands Landscape Board
South Australian Country Arts Trust
South Australian Country Fire Service
South Australian Film Corporation
South Australian Fire and Emergency Services Commission
South Australian Forestry Corporation
South Australian Government Financing Authority
South Australian Housing Trust
South Australian Local Government Grants Commission
South Australian Metropolitan Fire Service
South Australian Skills Commission
South Australian State Emergency Service
South Australian Superannuation Board
South Australian Superannuation Scheme
South Australian Tourism Commission
South Australian Water Corporation
South Eastern Water Conservation and Drainage Board
Southern Adelaide Local Health Network Incorporated
Southern State Superannuation Scheme
State Opera of South Australia
State Owned Generators Leasing Co Pty Ltd
State Planning Commission
State Theatre Company of South Australia
Stormwater Management Authority
StudyAdelaide
Super SA Retirement Investment Fund
Super SA Select Fund
Superannuation Funds Management Corporation of South Australia
TAFE SA
Teachers Registration Board of South Australia
Trade and Investment – Department for
Transmission Lessor Corporation
Treasurer’s statements
Treasury and Finance – Department of
University of Adelaide
University of South Australia
Urban Renewal Authority
Wellbeing SA
West Beach Trust
Women’s and Children’s Health Network Incorporated
Yorke and Northern Local Health Network Incorporated