

Strategic Audit Plan

2014-17



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1 Context

This is the third, three-year rolling strategic audit plan to be prepared and published by the Queensland Audit Office (QAO). It describes the selection process for performance audit topics and gives Parliament, the public sector and the community the opportunity to understand our audit priorities. It provides agencies with advance notice of audit focus and the opportunity to prepare for, and engage more constructively with the audit process. Our aim is to encourage improvement in agency performance and to maximise the value our audits deliver.

The public sector is under increased pressure to improve its own performance and, at the same time, contain expenditure growth. Factors such as ageing populations and increasing need for health care add to budgetary pressures: in return, citizens expect governments to be more accountable for what they achieve with taxpayers' money. This places a premium on relevant and reliable public performance information. This is reflected in our audit program, where most performance audits include an assessment of whether public sector entities effectively measure, monitor and report performance.

This audit plan is structured as follows:

- this section explains our audit mandate and audit services
- section 2 summarises our planned financial audit program
- section 3 summarises our planned performance audit program.

Appendix A contains an overview of performance audit topics for 2014–17 by parliamentary committee.

Appendix B is an extract of our budget from the 2014-15 Budget Papers.

1.1 Our mandate

The Auditor-General, supported by QAO, undertakes an independent, statutory role for the Parliament, delivering financial and performance auditing services. The results of these audits are reported to the Parliament to provide it with necessary assurance about the reliability of financial reporting by, and the performance of, the public sector.

The *Auditor-General Act 2009* establishes this independent audit mandate, which is a cornerstone of public sector accountability.

We audit all state and local government public sector entities and any entities that they control. We can exempt entities from annual financial audits by QAO for periods of up to three years, but only if the audit is small and low risk.

At the request of a Minister or a public sector entity, we may also undertake audits of non-public sector entities, with their agreement.

Our mandate was extended from August 2011 to allow us to audit matters relating to property, money or other assets given to non-public sector entities, including deciding whether they have been applied economically, efficiently and effectively for the purposes for which they were given. If such an audit is carried out, the Auditor-General must prepare a report to the Legislative Assembly, setting out the reasons for conducting the audit and results of the audit.

1.2 Our audit services

1.2.1 Financial audit services to public sector entities

Financial audits provide the users of financial statements of public sector entities with independent assurance that the statements are reliable and comply with prescribed requirements. The independent auditor report accompanying the financial statements adds credibility to the financial information reported; and allows each entity to discharge its accountability obligation to produce an annual report each year.

Financial audits are funded by fees charged to each audited entity.

1.2.2 Direct reporting services to Parliament

The results of all annual financial audits, performance audits and any other audits or investigations we undertake are reported to the Parliament.

Section 37A of the *Auditor-General Act 2009* became effective in August 2011 and governs performance audits. Performance audits provide Parliament and the community with independent assurance that public moneys have been used appropriately and well; and that the results achieved from their use meet Parliament's expectations.

Performance audits do this by assessing whether an entity, program or activity is achieving its objectives economically, efficiently and effectively and is complying with relevant laws. Performance audits do not question the merits of policy objectives—they assess how well the policy objectives are being achieved. These audits are funded by the Parliament, not by the agency being audited.

1.3 Our strategic audit planning framework

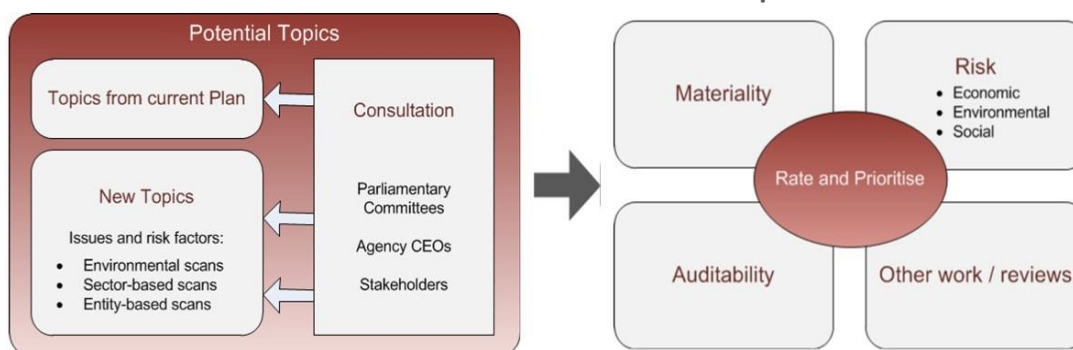
We are required each year to develop and publish a three-year strategic audit plan setting out the performance audits we propose to undertake and to publish this on our website by 30 June each year.

Our strategic audit planning process involves:

- generating a comprehensive list of potential audit topics through environmental scanning; from intelligence gathered from external representations, including consultation with relevant government agencies and requests made to us by Members of Parliament (MPs) and the public; and from systemic issues identified during our financial audits
- analysing and rating these topics in terms of their financial materiality; economic, social and environmental effects; auditability; and public interest
- prioritising topics by taking into account the time elapsed since any relevant prior audit coverage; and recent and planned coverage by other independent officers and review agencies such as the Queensland Ombudsman and the Crime and Misconduct Commission.

Figure 1A illustrates our strategic audit planning process.

Figure 1A
Identification and assessment of audit topics

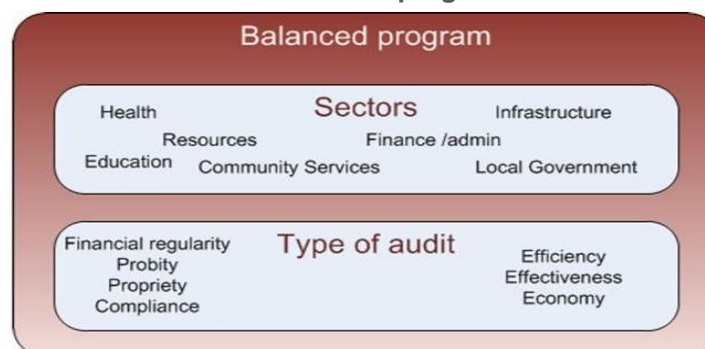


Source: Queensland Audit Office

We also balance our performance audit program to provide assurance to Parliament across the full range of public sector accountabilities: from financial regularity, probity, propriety and compliance at one end of the spectrum to economy, efficiency and effectiveness at the other.

Figure 1B illustrates how we balance our audit program to provide this assurance.

Figure 1B
Balanced audit program



Source: Queensland Audit Office

1.3.1 Consultation

Each year, in developing the strategic audit plan, we consult with the parliamentary committees, relevant entities and other stakeholders to seek their comments on proposed audit topics and suggestions for new topics. This year, we broadened our consultation process to include local governments and key peak bodies and industry groups.

We submit our draft strategic audit plan to the parliamentary committees for comment.

1.3.2 Collaborative audits

The *Auditor General Act 2009* allows us to conduct an audit jointly, or in collaboration, with audit offices in other states, territories and nationally. Currently, only the Tasmanian Audit Office has the mandate to do joint audits and, therefore, share findings; however, the members of the Australasian Council of Auditors-General (ACAG) actively collaborate to identify and deliver concurrent audits of common interest and significance.

In March 2013, we tabled the results of our first concurrent audit—*Implementing the National Partnership Agreement on Homelessness* (Report 6: 2012–13). Five other jurisdictions participated in the collaborative audit, each tabling its own report.

QAO is currently working with ACAG to define the next potential collaborative audit, expected to be delivered in the 2015–16 financial year.

1.3.3 Changes to the audit program

The Auditor-General has the discretion to replace and/or reschedule topics or themes detailed in the strategic audit plan to accommodate changing priorities. Some change to this plan is inevitable to respond to factors which influence the performance of public entities. These factors include emerging issues, changes in the needs of the Parliament, changing government priorities, natural disasters and areas of public interest.

1.4 Our resources

This plan has been developed on the basis of the estimates contained in the 2014–15 Budget Papers.

Appendix B summarises the estimated revenues and expenditures in relation to our planned audit services. It shows that around \$6.5 million has been allocated to provide services to the Parliament. Of this, we estimate \$4.1 million will be required to undertake performance audits and \$0.9 million to report on the results of our financial audits. The cost of our strategic audit planning, including producing this plan, is estimated at \$195 000. The remainder is used for managing, investigating, responding to and reporting on specific referrals from MPs, councillors and the public; and to contribute to the cost of running the Office of the Auditor-General.

2 Financial audits

Each year, we provide around 550 audit opinions on the financial statements of public sector entities and 250 related audit certifications, mainly certifying grant acquittals.

We undertake these audits in accordance with the Auditor-General of Queensland Auditing Standards which incorporate the Australian auditing standards. These require us first to analyse each entity's internal control structure and assess the risks associated with its financial report. We design our audit procedures to address these risks.

We do not examine or test each area of control in the same depth, or to the same degree, each year. We test some areas annually and we rotate our coverage for others. We determine the extent of examination and testing annually by our assessment of the associated risk.

Where we rotate coverage of controls, we coordinate our efforts within or across sectors. This allows us to identify systemic issues that may require a whole-of-government or sector-wide response.

The public sector has high standards of accountability in the probity and propriety of its activities and there is an expectation from the public that the public sector will minimise waste and misuse of public resources. Our financial audits encompass consideration of these matters. Where we identify significant risks in this regard, we design additional audit procedures to ascertain whether these risks have materialised.

Section 60 of the *Auditor-General Act 2009* requires that we report at least once each year to the Parliament on the results of the financial audits we undertake for public sector entities.

2.1 Results of audit reports tabled in 2013–14

We tabled eight reports on the results of our financial audits during 2013–14, against a plan of seven. The additional report resulted from splitting the proposed results of water and energy sector entities report into two separate reports, as significant asset management issues warranted distinct reporting.

Figure 2A lists the reports on the results of financial audits tabled in 2013–14.

Figure 2A
2013–14 reports to Parliament on results of financial audits

Topic	Report number	Tabled
Results of audit: Internal control systems	Report 6 : 2013–14	November 2013
Results of audit: Water sector entities 2012--13	Report 7 : 2013–14	November 2013
Results of audit: Hospital and Health Services entities 2012–13	Report 8 : 2013–14	November 2013
Results of audit: Energy sector entities 2012–13	Report 9 : 2013–14	December 2013
Results of audit: State public sector entities for 2012–13	Report 11 : 2013–14	December 2013
Results of audit: Queensland state government financial statements 2012–13	Report 12 : 2013–14	December 2013
Results of audit: Local government entities 2012–13	Report 14 : 2013–14	March 2014
Results of audit: Education sector entities 2012	Report 16 : 2013–14	April 2014

During 2014–15, we again plan to table separate sector-based reports on the results of our financial audits for the years ending 30 June 2014 and 31 December 2014; as well as a separate report on the results of our audit of the Queensland state government financial statements.

Our sector-based reports will continue to analyse and provide commentary on key governance areas including:

- results of financial audits, including how significant financial risks and reporting issues have been addressed
- timeliness and quality of financial reporting
- effectiveness of systems of financial controls
- financial sustainability of selected entities and of the whole of government.

We plan also to continue our practice of tabling a separate report on the results of our testing of systems of internal control in departments, to allow for more timely consideration and response to any systemic control issues we identify.

2.2 Focused reviews of control elements

As part of the annual financial audit process, we schedule more focused reviews of selected elements of internal control, including those related to specific financial statement components.

In 2013–14, we reported on our focused reviews of the chief financial officer annual certification process in departments, internal audit, audit committees and corporate card control.

2.2.1 Areas of control focus: 2014–17

Figures 2B, 2C and 2D summarise the in-depth reviews planned across the five elements of internal control and reported on over the next three years.

Figure 2B
2014–17 planned areas of control focus for the General Government Sector

Internal control element	Area of focus	Objective	Tabling year
Control activities	Financial delegations	Establish that the system of financial delegation is effective.	2014–15
Risk assessment	Strategic, financial and operational risk assessments	Assess the relevance and appropriateness of risk frameworks, assessments and response.	2014–15
Control activities	Business continuity—information technology disaster recovery	Assess whether information technology disaster recovery plans are in place, up to date and tested to establish their efficacy in the event of a significant business disruption.	2015–16
Information and communication	Management reporting	Assess the form and content of internal management reports.	2015–16
Information and communication	Budget setting and reporting	Assess management's budget setting process and the appropriateness of budgets set.	2016–17

Figure 2C
2014–17 planned areas of control focus for the local government sector

Internal control element	Area of focus	Objective	Tabling year
Information and communication	Wireless security	Assess the level of protection for the network perimeter against unauthorised access and whether all access points are well managed.	2014–15
Control activities	Financial delegations	Establish that the system of financial delegation is effective.	2014–15
Control activities	Travel and expenditure procurement	Assess compliance with policies and procedures to manage travel expenditure and procurement.	2015–16
Control activity	Monitoring of conflicts of interests	Assess preparedness for compliance with Australian Accounting Standard AASB 124 <i>Related Party Transactions</i> .	2015–16
Monitoring	Review of key performance indicators	Agree performance indicators to source data, systems or documents and assess usefulness for management decision making.	2016–17

Figure 2D
2014–17 planned areas of control focus for universities sector

Internal control element	Area of focus	Objective	Tabling year
Information and communication	Management reporting	Assess the usefulness of internal management reports.	2014–15
Control activity	Monitoring of conflicts of interests	Assess preparedness for compliance with Australian Accounting Standard AASB 124 <i>Related Party Transactions</i> .	2015–16
Information and communication	Budget setting and reporting	Assess the budget setting process and the reliability of budgets set.	2016–17

3 Performance audits

Each year, we undertake a program of performance audits, incorporating performance management system audits where appropriate.

The number and cost of performance audits vary between years, according to the nature and complexity of the selected topics and the resources available. We typically plan to deliver between eight and ten major new audit reports each year; and to follow up on at least two previous audit reports.

3.1 Performance audits tabled in 2013–14

We tabled eight reports on the results of performance audits in 2013–14, together with two reports on the follow up of performance audit recommendations made in 2011. Our target last year was to table ten new reports on performance audits and one follow-up report.

Of the ten performance audits we planned for 2013–14:

- six were completed as planned
- the reports on two audits will be tabled in the first half of 2014–15:
 - Major infrastructure projects: tertiary hospitals
 - Preparedness for 2018 Commonwealth Games
- two audits were deferred to 2015–16:
 - Early childhood education
 - Disability access to transport.

To replace the audits deferred, two new and previously unplanned audits topics were introduced and completed during 2013–14:

- Right of private practice: Senior medical officer conduct
- Monitoring and reporting performance.

Figure 3A lists all completed audits where the report to Parliament was tabled in 2013–14.

Figure 3A
2013–14 completed performance audits

Topic	Report number	Tabled
Right of private practice in Queensland public hospitals	Report 1 : 2013–14	July 2013
Supply of specialist subject teachers in secondary schools	Report 2 : 2013–14	October 2013
Follow up of selected 2011 audits—Report 9 for 2011: Acquisition and public access to the Museum, Art Gallery and Library collections	Report 3 : 2013–14	October 2013
Follow up of selected 2011 audits—Report 1 for 2011: Management of offenders subject to supervision in the community	Report 4 : 2013–14	October 2013
Traffic management systems	Report 5 : 2013–14	November 2013
Contract management : renewal and transition	Report 10 : 2013–14	November 2013
Right of private practice : Senior medical officer conduct	Report 13 : 2013–14	February 2014
Environmental regulation of the resources and waste industries	Report 15 : 2013–14	April 2014
Queensland Ambulance Service performance	Report 17 : 2013–14	May 2014
Monitoring and reporting performance	Report 18 : 2013–14	June 2014

3.2 Performance audits focus for 2014–17

For each 2014–15 audit listed, the audit approach will be confirmed after we complete detailed planning. This process includes consultation with the relevant departments and agencies.

For the period 2015–16 to 2016–17, we have listed prospective performance audit topics which will be reviewed and refined during our next annual strategic audit planning process.

3.2.1 Performance audits planned for 2014–15

Figure 3B lists the ten new reports on the results of performance audits we plan to table during 2014–15. As noted in section 3.1, reports carried over on *Major infrastructure projects: tertiary hospitals* and *Preparedness for 2018 Commonwealth Games* will also be tabled in the first half of 2014–15.

Once a performance audit has commenced, information can be found on our website, www.qao.qld.gov.au, under *Audits in progress*. For selected audits the public are able to make submissions through our website.

Figure 3B
2014–15 planned performance audits

Parliamentary committee	Topic	Planned quarter
Agriculture, Resources and Environment	Reef water quality protection	Quarter 4
Education and Innovation	Vocational education training outcomes	Quarter 3
	Maintenance of public schools	Quarter 3
Health and Community Services	Emergency department performance in Queensland public hospitals	Quarter 1
	Security of sensitive information—child safety	Quarter 3
Legal Affairs and Community Safety	Bushfire prevention and preparedness	Quarter 2
	Road safety—traffic cameras	Quarter 4
	WorkCover claims management	Quarter 4
State Development, Infrastructure and Industry	Major transport infrastructure projects	Quarter 4
Transport, Housing and Local Government	Fraud management in local governments	Quarter 3

Reef water quality protection

The audit will examine whether government agencies are effectively reducing the load of pollutants from non-point sources in the water entering the reef.

The Great Barrier Reef is one of the world’s greatest natural attractions. The reef supports a range of industries including tourism (one of the ‘four pillars’), recreation, commercial fishing and scientific research that collectively inject around \$5.7 billion per year (*Reef Water Quality Protection Plan 2013*) in Queensland’s regional economies.

The quality of water entering the reef has deteriorated over the past 100 years and continues to have a detrimental effect on the marine ecosystem. *The Reef Water Quality Protection Plan* (Reef Plan) was developed in 2003 and endorsed by the Queensland Government and the Australian Government with the aim of halting and reversing the declining water quality on the reef. The Reef Plan was reviewed and updated in 2009 and again in 2013.

Vocational education training outcomes

The audit will examine whether the creation of a contestable market in VET has reduced skills shortages and improved the relevance, efficiency and quality of VET outcomes.

In 1996, as part of a national agreement, the Queensland Government implemented the ‘*User Choice Program*’ in vocational education and training (VET).

User choice allows an employer to exercise choice in the Registered Training Organisation (RTO) that provides the off-the-job component of a training contract of an apprentice or trainee and to customise training in terms of time, place and content. User choice aimed to encourage RTOs, through increased competition, to be flexible in their responses to employer needs.

It was expected that the choice of RTO and better targeting of the actual skills needed by the employer would make such employment and training more attractive to employers and increase the number of apprentices and trainees.

The User Choice Program currently accommodates in excess of 130 000 apprentices and trainees annually, with 65 000 commencements annually and 35 500 completions each year, within an annual budget usually more than \$200 million, but which varies with the intake of apprentices and trainees. A government subsidised training place is guaranteed to all apprentices and trainees. The source of funds is shared between the state and the Commonwealth on (approximately) a 70/30 ratio.

Maintenance of public schools

The audit will examine whether Queensland's public school education building assets are effectively managed and maintained to provide a safe environment for students and staff.

There is an annual school maintenance allocation provided to all public schools. The current government has increased funding for maintenance of schools through the *Advancing our Schools Maintenance* (AoSM) initiative. Its purpose is to provide additional funds to address school planned maintenance over the 2012–13 and 2013–14 financial years with the objective of reducing the pre-existing maintenance backlog in state schools. A further increase of \$100 million in 2014–15 was announced in the state budget.

Emergency department performance in Queensland public hospitals

The audit will examine the performance of Queensland's public emergency departments (EDs) in achieving targets under the National Emergency Access Target (the NEAT), to assess whether:

- ***the publicly reported performance of emergency departments is reliable***
- ***the patient experience is not adversely affected by efforts to achieve performance targets.***

In July 2011, all Australian states and territories committed to a National Health Reform Agreement—National Partnership Agreement on Improving Public Hospital Services (the NPA) with the Commonwealth.

The NPA establishes financial incentives for public hospitals to meet targets, including the National Emergency Access Target (the NEAT). The aim of the NEAT is to improve public patient access to hospital emergency departments (EDs). The NEAT is measured on a yearly basis as the percentage of patients who physically leave the ED within four hours of their arrival. Unplanned patient re-attendance with 48 hours of discharge is also monitored, although reward funding is not attached to this.

The NPA was scheduled to run until 30 June 2017 but, as part of its 2014 budget, the Australian Government announced that the NPA would cease from 2015–16, twelve months earlier than originally agreed.

Security of sensitive information—child safety

The audit will examine whether the systems managing sensitive information are secure and the information is accessible to authorised personnel in discharging their responsibilities.

The Department of Communities, Child Safety and Disability Services uses a number of systems that maintain sensitive and personal information, including those for adoption, foster care, child protection and youth justice purposes. The department works in conjunction with non-government organisations to provide these services. As at 2011–12, there were approximately 23 non-government organisations that receive funding for child safety services.

While the department retains all legal responsibility for the children under its care, the non-government organisations provide the day to day care support—and therefore have access to the personal information—of these children. The *Child Protection Act 1999* allows service providers to share information relevant to the protection and care of children.

Bushfire prevention and preparedness

The audit will examine if Queensland is better able to prevent and prepare for bushfires following the implementation of recommendations arising from the 2009 Victorian Bushfires Royal Commission, the Malone Review into Rural Fire Services in Queensland (2013) and the Police and Community Safety Review, (2013).

Queensland's most prevalent natural disasters, listed by risk level, are storms, cyclones, floods and, then, bushfires. The risk of Queensland experiencing bushfires as severe and intense as Victoria's Black Saturday is lower than southern states, which have hot dry summers where increasing temperatures contribute to dangerous fire conditions. Nonetheless, some bushfires in Queensland are still serious enough to cause loss of life or damage to property.

The 2009 Victorian Bushfires Royal Commission (the Commission) made 67 recommendations in its final report to improve Victoria's ability to respond to bushfires, following the devastating Black Saturday fires in February 2009 that claimed the lives of 173 people. The Queensland Government carefully examined the Commission's final report to consider recommendations to help improve our capacity to respond to major bushfires.

Road safety—traffic cameras

The audit will examine whether there is a sound rationale for the road safety camera program and whether the cameras are sited for road safety outcomes.

Around 20 per cent of fatal road crashes on Queensland roads involve speed as a contributing factor. Programs to reduce illegal speeding have proven to be one of the most effective measures to reduce both the number and severity of road crashes.

There is significant community sensitivity about speed enforcement and a level of concern that decisions about the program are directed towards increasing revenue, rather than reducing road trauma.

WorkCover claims management

The audit will examine the effectiveness and efficiency of claims management by WorkCover, including whether:

- ***the management of claims is maximising both outcomes for injured workers and the financial sustainability of the scheme***
- ***arrangements for monitoring and improving the performance of claims management are effective.***

WorkCover Queensland is a government owned statutory body, providing workers' compensation insurance in Queensland since 1997. It is self-funded and operates as an independent, commercial enterprise, with income derived from premiums paid by employers and returns on invested funds. As a not for profit entity, excess funds are returned to employers and workers through premium rate reductions, improved benefits and better services.

WorkCover Queensland received over 88 000 claims in 2012–13, insured more than 153 000 employers and managed approximately 90 per cent of workers' compensation claims in Queensland. WorkCover claims are continuing to increase. Gross payments increased from \$1 129 million in the calendar year of 2011 to \$1 202 million in the calendar year of 2012.

Major transport infrastructure projects

The audit will examine the adequacy of the state's planning and delivery of major transport and road infrastructure projects, including:

- **whether the decisions determining if a project should proceed and how it should be procured were based on a sound understanding of the costs, benefits and risks**
- **whether risks were managed to deliver the intended benefits on time and within budget.**

The Queensland Government is committed to providing all Queenslanders with a transport network that is safe, reliable and efficient. The Queensland Transport and Roads Investment Program (the QTRIP) 2013–14 to 2016–17 comprises a total investment of \$17.2 billion for works across local, state and national networks.

The QTRIP details transport and road infrastructure projects that the Department of Transport and Main Roads plans to deliver over the next four years. Planning for the future is a key priority to ensure Queensland's transport system connects people, places, goods and services. This presents many challenges and opportunities.

Fraud management in local government

This audit follows on from *Fraud risk management (Report No. 9 : 2012–13)* and will examine whether local councils are effectively managing fraud risks, including how councils:

- **prevent fraud from occurring**
- **detect fraud once it has occurred**
- **respond to detected fraud.**

The Crime and Misconduct Commission (CMC) received 5 827 allegations of illegal activity and/or misconduct by local government for the period 2006 to 2011. The top three allegations related to corruption and favouritism (27 per cent with 15 per cent substantiated), official misconduct (24 per cent with 25 per cent substantiated) and misappropriation (12 per cent with 42 per cent substantiated). The CMC received 1 000 more allegations in 2012.

Recent CMC research on misconduct issues in the local government sector indicates that the majority of issues were often the result of a lack of training, knowledge, capability and resources within the sector.

3.3 Performance audit topics: 2015–17

Figures 3C and 3D list proposed audit topics, from which a smaller number will be selected, based on allocated funding, to be developed and reported over the two years 2015–16 to 2016–17.

Figure 3C
2015–16 proposed audit themes

Parliamentary committee	Topic
Agriculture, Resources and Environment	Agriculture science research and development programs Biomedical waste
Education and Innovation	Cloud computing management Early childhood education
Health and Community Services	Forensic services Disability access to transport
Legal Affairs and Community Safety	Management of prison services
State Development, Infrastructure and Industry	2018 Commonwealth Games—progress
Transport, Housing and Local Government	Road safety—heavy freight vehicles Public and community housing Forecasting long term sustainability in local government

Figure 3D
2016–17 proposed audit themes

Parliamentary committee	Topic
Agriculture, Resources and Environment	Royalties for the Regions Agricultural pest and disease management East coast net fishing buyback scheme Management of river catchments in south-east Queensland
Education and Innovation	Strategic asset management: public schools Aboriginal and Torres Strait Islander education and employment outcomes Teacher performance in public schools
Finance and Administration	Strategic procurement—value for money
Health and Community Services	Patient management and administration systems Non-government organisation (NGO) delivery of disability services
Legal Affairs and Community Safety	Performance in reducing serious crime
State Development, Infrastructure and Industry	Security of critical infrastructure Information and communication technology (ICT) strategy outcomes
Transport, Housing and Local Government	Revenue management in local government—setting fees and charges Transport planning in south-east Queensland Development applications and approvals in local government

3.4 Follow up of prior audits

While the Auditor-General reports to the Parliament with recommendations to improve the performance of public sector entities or enhance public sector accountability, it is not the Auditor-General’s role, nor does the Auditor-General have the power, to enforce the implementation of these recommendations.

The primary responsibility for implementing any change rests with the executive and the individual agencies. As a matter of good governance, all public sector entities should have systems and processes to consider and, where appropriate, implement audit recommendations.

Each year, we select a number of prior audits to follow up, whereby we look at the current status of the audit recommendations and whether changes the public sector entity made address the issues originally raised.

Figure 3E lists performance audit reports to Parliament tabled in 2012 considered for follow up in 2014–15.

Figure 3E
Reports to be followed up in 2014–15

Report no.	Title
Report 1 : 2012	Improving student attendance
Report 4 : 2012	Managing employee unplanned absence
Report 3 : 2012–13	Tourism industry growth and development
Report 4 : 2012–13	Queensland Health—eHealth Program

We will follow up *Improving student attendance* (Report 1 : 2012) and *Tourism industry growth and development* (Report 3 : 2012–13).

For these two reports, entities will be asked initially to self-assess their progress in implementing each recommendation. Further work will then be done to verify the progress made to address the issues raised in the original audit and to examine relevant performance information to assess the action resulting from the audits for improved efficiency and effectiveness.

The status of recommendations made in *Managing employee unplanned absence* (Report 4 : 2012) and *Queensland Health—eHealth Program* (Report 4 : 2012–13) will be examined as part of our annual financial statements audit.

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Appendix A—Three-year program

Figure A1
Performance audit program 2014–17 by parliamentary committee

Portfolio committee	2014–15	2015–16	2016–17
Agriculture, Resources and Environment	Reef water quality protection	Agriculture science research and development programs Biomedical waste	Royalties for the Regions Agricultural pest and disease management East coast net fishing buyback scheme Management of river catchments in south-east Queensland
Education and Innovation	Vocational educational training outcomes Maintenance of public schools	Cloud computing management Early childhood education	Strategic asset management: public schools Aboriginal and Torres Strait Islander education and employment outcomes Teacher performance in public schools
Finance and Administration			Strategic procurement—value for money
Health and Community Services	Emergency department performance in Queensland public hospitals Security of sensitive information—child safety	Forensic services Disability access to transport	Patient management and administration systems NGO delivery of disability services
Legal Affairs and Community Safety	Bushfire prevention and preparedness Road safety—traffic cameras WorkCover claims management	Management of prison services	Performance in reducing serious crime
State Development, Infrastructure and Industry	Major transport infrastructure projects	2018 Commonwealth Games—progress	Security of critical infrastructure ICT strategy outcomes
Transport, Housing and Local Government	Fraud management in local government	Road safety—heavy freight vehicles Public and community housing Forecasting long term sustainability in local government	Revenue management in local government—setting fees and charges Transport planning in south-east Queensland Development applications and approvals in local government

Appendix B—QAO 2014–15 budget estimates

Departmental Budget Summary

The table below shows the total resources available in 2014-15 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Queensland Audit Office	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue	6,400	6,388	6,486
Deferred from previous year/s
Balance of service appropriation
Other revenue	34,464	35,605	31,869
Total income	40,864	41,993	38,355
Expenses			
Independent public sector auditing services and reporting	40,947	40,243	38,372
Total expenses	40,947	40,243	38,372
Operating surplus/deficit	(83)	1,750	(17)
Net assets	5,959	7,745	7,728

Source: BP5, 2014-15 Service Delivery Statements, Department of Premier and Cabinet, page 85