Legislative Assembly for the ACT

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Review of Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*

NOVEMBER 2006

Report 9

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Resolution of appointment[1]

The Legislative Assembly appointed the Standing Committee on Public Accounts on 7 December 2004 to:

(i) examine:

(A) the accounts of the receipts and expenditure of the Australian Capital Territory and its authorities; and

(B) all reports of the Auditor-General which have been presented to the Assembly;

(ii) report to the Assembly any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Assembly should be directed;

(iii) inquire into any question in connection with the public accounts which is referred to it by the Assembly and to report to the Assembly on that question; and

(iv) examine matters relating to economic and business development, small business, tourism, market and regulatory reform, public sector management, taxation and revenue and sustainability.

[1] Legislative Assembly for the ACT, Minutes of Proceedings, Tuesday 7 December 2004, p. 12.

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RECOMMENDATION 2

3.20 The Committee recommends that as a matter of standard practice, joint venture agreements with a Territory entity in which the Territory has a 'controlling interest' should include a provision that requires the audited financial statements to be provided to the Territory entity.

RECOMMENDATION 3

3.21 The Committee recommends that the Annual Reports of Territory entities be legally required to include the audited financial statements of all entities in which the Territory has a 'controlling interest'.

RECOMMENDATION 4

3.77 The Committee recommends that the Government inform the Assembly on the outcome of Treasury's review of superannuation contributions owing to eligible Totalcare Industries Limited and Australian International Hotel School employees.

RECOMMENDATION 5

5.2 The Committee recommends that the Legislative Assembly for the ACT note the findings of Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*.

1 INTRODUCTION

Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits* (the Audit Report)

1.1 The Audit Report was presented to the Legislative Assembly for the ACT on 13 December 2005 and consequently referred to the Committee for inquiry.[2]

1.2 It has been the annual practice of the Auditor-General to provide a report, such as this one, dealing mainly with matters coming to light during the audits of agency financial statements which are incorporated in agency annual reports presented to the Assembly.

1.3 This particular financial audit report also comments generally on the financial reporting and accountability in the ACT public sector. It also makes comparisons of agency budgets against financial performance as reported in their operating statements.

1.4 The Audit Report summarises the results of the audits of the financial statements of the Territory and its agencies in 2004-05. The Audit Report also includes comments on significant matters found during these audits.

Terms of reference

1.5 The Committee's terms of reference were to examine the Audit Report and report to the Legislative Assembly for the ACT. The Committee's inquiry was limited to the information contained within the Audit Report.

[2] Legislative Assembly for the ACT, Sixth Assembly, Minutes of Proceedings No. 47, Tuesday 13 December 2005, p. 505.

Conduct of the inquiry

1.6 The Committee sought and received a Government submission in relation to the findings of the Audit Report.[3] Also, the Committee received a briefing from the Auditor-General on the Audit Report.[4]

1.7 The Committee met on 29 November 2006 to discuss the Chair's draft report, which was adopted on 29 November 2006.

Structure of the report

1.8 The Committee considered and assessed the matters of significance raised by the Audit Report. Its report focuses on a selection of the significant issues raised and also provides a summary of the Government's response in relation to these.

1.9 The Committee's report is divided into two parts and covers the following main topics:

Part 1 – Background to the inquiry

- Chapter 1 – Introduction and conduct of the inquiry
- Chapter 2 – Audit findings
- Chapter 3 – Significant audit findings

Part 2 – Committee findings

- Chapter 4 – Committee comments
- Chapter 5 – Conclusion

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[3] Dated 15 March 2006.

[4] 14 June 2006.

2 AUDIT FINDINGS

2.1 Overview findings of the Audit in relation to financial reporting and auditing, the Territory operating result, and the Territory financial position were generally favourable, although some reservations were expressed with regard to specific matters, for example, accounting treatments and the standard of departmental/agency performance.

Audit reports

2.2 The Audit was satisfied, in all material respects, that ninety-six per cent (71 of the 74 audit opinions issued) of agency audited financial statements complied with Australian Accounting Standards (AAS) and presented a true and fair view of the financial position and performance of the agency.[5]

2.3 Of the seventy-one unqualified audit opinions issued, seven (10%) contained an 'emphasis of matter' paragraph indicating performance measures that were not measured or could not be independently verified.[6]

2.4 Three (4%) qualified audit opinions were issued due to non-compliance with AAS.[7]

Audit management reports[8]

2.5 The Auditor-General reported, by way of an audit management report, various deficiencies found during the audits to the appropriate level of agency management.[9]

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[5] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 7-9.

[6] *Ibid.*, pp. 7-9.

[7] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 7-9.

[8] Many agencies are provided with an audit management report. However, deficiencies identified in this report are not normally brought to the attention of the Legislative Assembly unless it is serious (for example, where a significant legislative breach or fraud is identified) or systemic (for example, widespread weaknesses in internal controls) that public reporting is warranted to facilitate a proper level of accountability.

[9] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 7.

2.6 Audit management reports provided to agencies advised of instances where:

- 'agencies had not complied with the Department of Treasury timetable for submitting their financial statements to the [Audit] Office;
- there were minor differences between financial statements upon which the audit opinion was provided and those published by agencies;
- stocktakes of information technology assets had not been performed;
- no evidence was kept of checks of the correctness of wage and salary payments;
- definitions of measures reported in statements of performance were unclear;
- there was inadequate evidence to support reported performance measure results;
- reconciliation procedures for financial statement balances were inadequate;
- there was no evidence of monitoring of changes to supplier records;
- cash management functions were not appropriately segregated, leading to increased risk of fraud and error; and
- bank reconciliations had not been conducted in a timely manner and documentary evidence of review was not kept'.[10]

Agency financial statements

2.7 As in previous years, the financial statements of many agencies required revision to bring them to a publication standard.[11]

2.8 Most agencies did not comply with the Department of Treasury timetable for the submission of financial statements to the Audit office. Thirty-one percent of agencies (compared with forty-three percent in 2003-04) complied with Treasury's timetable.[12]

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[10] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 13.

[11] *Ibid.*, p. 7.

[12] *Ibid.*, p. 13.

2.9 Further, the Auditor-General stated that:

> 'although the Office managed to provide the vast majority of audit opinions on time, most of the financial statements were not provided to the Office in accordance with Treasury's reporting timetable'.[13]

2.10 The Auditor-General noted that failure by agencies to meet the Treasury timetable increases the risk that:

- 'agencies will not meet their annual reporting requirements under the *Annual Reports (Government Agencies) Act 2004*; and
- the financial statements of the Territory and its agencies will not be tabled in the Legislative Assembly on a timely basis'. [14]

2.11 The Auditor-General found that while:

> 'most financial statements submitted for audit were satisfactory, however, the Office was often required to provide assistance to agencies to bring financial statements to a standard ready for publication'.[15]

2.12 The Committee notes the Government's response to the recommendation the Committee made in its *Report on Annual and Financial Reports 2004-05* that agencies take up the Auditor-General's finding regarding improvement to processes for the preparation of financial statements and annual reports:

> 'Agreed. The Department of Treasury has provided training and guidelines to agencies to assist them with preparation of 2005-06 financial statements. Most delays relating to the submission of the 2004-05 financial statements related to the submission of performance information and not the financial statements.
>
> Submission to the Auditor-General of both the financial and performance information was problematic in 2004-05, as the performance information required longer preparation time due to the numerous information sources required to be accessed.
>
> Recognising this situation, the *Financial Management Act 1996* was amended in 2005 to provide a separate process for the preparation of the performance information, with marginally more time allowed for the financial statements.

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[13] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 2.

[14] *Ibid.*, p. 13.

[15] *Ibid.*, p. 1.

> The amended timeframe for completion of the statements of performance will not impact on the tabling deadline for annual reports.
>
> Furthermore, information in relation to performance reporting has also been streamlined, with a reduction in the number of performance measures required to be prepared. For 2005-06 annual financial statements, only accountability measures will be audited'.[16]

Annual reports

2.13 The Chief Minister's Annual Report Directions specify that all annual reports must be placed on ACT Government internet sites and provided for listing on a central site as soon as reports are tabled in the Legislative Assembly or provided to Members if the Assembly is not sitting. The Audit Office monitors compliance with this timing requirement.[17]

2.14 The Committee notes the Auditor-General[18] stated that many agencies had not placed their annual reports on the relevant website within the required timeframe.[19]

2.15 According to the Audit:

> '…roughly half of the annual reports had not been placed on the website by 6 October 2005. However, around 90% of the annual reports were placed on the websites by 10 October 2005'.[20]

2.16 The Committee notes the Government's response to the recommendation the Committee made in its *Report on Annual and Financial Reports 2004-05* that agencies take up the Auditor-General's finding regarding scope to improve processes for placement of annual reports on relevant websites within required timeframes:

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[16] Government Response, Standing Committee on Public Accounts Report No. 5, *Report on Annual and Financial Reports 2004-05*, March 2006, p. 3.

[17] Chief Minister's *Annual Reports Directions 2004-2005*, p. 9.

[18] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 1-2.

[19] *Ibid.*, p. 2.

[20] *Ibid.*, p. 14.

'Agreed. The Chief Minister's Annual Report Directions address this under section 1.9 *Presentation of annual reports* and again in section 1.10 *Access and Distribution*'.[21]

RECOMMENDATION 1

2.17 **The Committee recommends that the Chief Minister's Department ensure that ACT Government agencies comply with sections 1.9 and 1.10 of the *Chief Minister's Annual Report Directions*.**

[21] Government Response, Standing Committee on Public Accounts Report No. 5, *Report on Annual and Financial Reports 2004-05*, March 2006, p.2.

3 SIGNIFICANT AUDIT FINDINGS

The Territory's financial statements

Audit opinion

3.1 The Audit issued a qualified audit opinion on the Territory's 2004-05 financial statements as a result of non-compliance with AAS[22] in relation to the Territory's accounting for its superannuation liability.[23]

3.2 The Audit opinion stated:

> 'In 2003-04, the accounting policy adopted by the Government for the liabilities of the Territory and its agencies relating to employer superannuation ('the superannuation liability') was to include actuarially assessed increases (unrealised losses) or decreases (unrealised gains) in the superannuation liability in the operating results of the Territory and the General Government Sector.
>
> The Government changed this accounting policy in 2004-05 by recording these movements directly against equity.
>
> This accounting policy is not permitted under Australian Accounting Standards AASB[24] 1018: 'Statement of Financial Performance' and AAS 31: 'Financial Reporting by Governments' because these unrealised losses are 'expenses' and are therefore required to be included in the operating results of the Territory and the General Government Sector. The effects of this departure from these Australian Accounting Standards are that the reported expenses and operating results are misstated by $214m in the financial results presented in the Consolidated Statement of Financial Performance of the Territory and the General Government Sector'.[25]

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[22] The standards issued by the Australian Accounting Research Foundation on behalf of CPA Australia and the Institute of Chartered Accountants in Australia for guidance in professional accountancy practice in Australia (Bazley et al., Contemporary Accounting, p. 592).

[23] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 15.

[24] Australian Accounting Standards Board – the body responsible for setting Accounting Standards in Australia.

[25] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 17-18.

3.3 According to the Auditor-General, had the Territory's financial statements complied fully with the AAS:

> 'the 'Operating Deficit from Ordinary Activities' would have been $226m and not the reported deficit of $12m, and the operating result would have been a deficit of $188m and not the reported surplus of $26m for the General Government Sector'.[26]

3.4 In response, the Government advised that the Auditor-General's report presents the whole-of-Government results adjusted to reflect the superannuation liability movements as an expense rather than an adjustment to equity. This resulted in the Auditor-General reporting a deficit of $226m, compared to the $12m deficit reported in the Territory's financial statements.[27]

3.5 The Government argued that the treatment it had adopted for assessing movements in the actuarially assessed superannuation liability excluded volatile actuarial variations, thus providing a better measure of the underlying operating result.[28]

3.6 Further, the Government pointed out that there has been no specific AAS addressing the accounting requirements for changes in superannuation liabilities for defined benefit plans, resulting from actuarial reviews. It stated that AASB (Australian Accounting Standards Board) 1018 and AAS 29, on which the Auditor-General relied to qualify the Unit's financial statements, did not directly address the issue of superannuation accounting.[29]

3.7 Due to the unavailability of a specific AAS there has been a lack of clarity regarding the most appropriate accounting treatment for the movement in the superannuation liability resulting from actuarial reviews. As a consequence, the Territory has refined its accounting treatment for superannuation accounting.[30]

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[26] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 15.

[27] Government submission, March 2006, p. 2.

[28] *Ibid.*

[29] *Ibid.*, pp. 2, 14.

[30] *Ibid.*, pp. 2, 14.

3.8 According to the Government, the accounting treatment adopted avoids the volatility in the Territory's operating result, both up and down, as a result of actuarial reviews and provides a more meaningful indication of the Territory's underlying position.[31]

3.9 However, the Audit Report noted that whilst the accounting treatment for superannuation did not comply with the relevant accounting standards in 2004-05, the accounting treatment used in 2004-05 is expected to be permitted under AASB 119 'Employee Benefits' for the 2005-06 financial statements and beyond.[32, 33]

3.10 The Committee notes that the Government's response is consistent with its 2004-05 Consolidated Financial Statements of the Territory, in which the Government stated:

> 'For 2004-05, the territory changed its accounting treatment for movement in the estimated superannuation liability resulting from actuarial reviews of the defined benefit superannuation schemes operating for Territory officers. There has been no specific Australian Accounting Standard addressing the requirements for changes in superannuation liabilities for defined benefit plans, resulting from actuarial reviews. In the absence of a specific Australian accounting standard there has been a lack of clarity regarding the most appropriate accounting treatment. As a result, in recent years the Territory has been refining its accounting treatment for superannuation accounting.
>
> Consistent with the treatment in the Government's 2005-06 Budget Papers, the accounting treatment for 2004-05 has been changed to record all movements in the estimated superannuation liability, resulting from the actuarial review, directly against equity. This approach avoids volatility in the Territory's operating result, both up and down, as a result of actuarial reviews, and in this way, provides a more meaningful indication of the territory's underlying operations position'. [34]

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[31] Government submission, March 2006, pp. 2, 14.

[32] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 15.

[33] Government submission, March 2006, p. 14.

[34] Australian Capital Territory, *Consolidated Financial Statements 2004-05 Financial Year*, 2005, p. 19.

Agencies with significant issues

ACTEW Corporation Ltd[35]

3.11 The Audit Report issued a qualified audit opinion on ACTEW Corporation Ltd's financial statements, due to issues identified and reported in previous years.[36, 37]

3.12 The Audit Report noted:

> 'Prior to 2003-04, ACTEW had not equity accounted its investment in TransACT as required by AASB 1016: 'Accounting for Investments in Associates' (AASB 1016). ACTEW commenced equity accounting in 2003-04. In 2004-05, the past non-compliance affected the reporting of prior year comparatives in ACTEW's results'.[38]

3.13 The Committee notes that the audit opinion was consequently qualified in respect of the departure from AASB 1016.[39]

3.14 In response, the Government advised that AASB 1016 requires a company to equity account for its investment in another company if the former has a 'significant influence' over the latter. The Standard details a number of relevant factors to consider when determining the existence or otherwise of 'significant influence'. In the opinion of the Directors of ACTEW, and of its legal adviser, the application of those factors make it clear that, for the purposes of the Standard, ACTEW did not have and was unable to exert significant influence over TransACT prior to 2003-04.[40]

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[35] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 41-47.

[36] Detailed explanations of the basis for these qualifications, including ACTEW's comments were previously provided in *Auditor-Generals Report No 10 of 2003: Financial Audits with Years Ending to 30 June 2003* and *Auditor-General's Report No 10 of 2004: 2003-04 Financial Audits.*

[37] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 15.

[38] *Ibid.*, p. 42.

[39] *Ibid.*

[40] Government submission, March 2006, p. 6.

3.15 The Audit Report also issued an audit qualification in response to ACTEW using TransACT's unaudited financials to equity account for its investment in TransACT for the year ending 30 June 2005.[41]

3.16 The Government advised that due to different timelines for the preparation of financial statements, unaudited information for TransACT was used. In accordance with section 315 (1) of the *Corporations Act 2001*, TransACT has until the end of October to finalise such statements. As the whole-of-Government accounts are prepared before this date, TransACT's audited statements were not available.[42]

3.17 Whilst the Audit Report noted that the use of unaudited statements provides less reliable financial information for accounting purposes, on this occasion TransACT's audited results did not vary significantly from the unaudited financial results.[43]

3.18 The Audit Report noted that implementation of the above would have required the audited financial results of TransACT to be available when ACTEW's financial statements were signed and ensured that TransACT's financial statements were tabled in the Legislative Assembly for the ACT on a timely basis.[44]

3.19 The Committee notes that the audited financial statements of several entities are not tabled in the Legislative Assembly.[45] Further, the Committee notes previous recommendations by both the Auditor-General[46] and the Public Accounts Committee (5th Assembly)[47] that for accountability purposes, audited financial statements of entities in which the Territory has a controlling interest should be required by legislation to be tabled in the Legislative Assembly.[48]

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[41] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 42-43.

[42] Government submission, March 2006, p. 6.

[43] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 42; Government submission, March 2006, p. 6.

[44] *Ibid.*, p. 43.

[45] Auditor-Generals Report No 10 of 2003: *Financial Audits with Years Ending to 30 June 2003*, p. 60.

[46] *Ibid.*, p. 62.

[47] *Review of Auditor-General's Report No 7 of 2002: Financial Audits with Years Ending to 30 June 2002*. Report No 6 of the Standing Committee on Public Accounts.

[48] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 43.

RECOMMENDATION 2

3.20 **The Committee recommends that as a matter of standard practice, joint venture agreements with a Territory entity in which the Territory has a 'controlling interest' should include a provision that requires the audited financial statements to be provided to the Territory entity.**

RECOMMENDATION 3

3.21 **The Committee recommends that the Annual Reports of Territory entities be legally required to include the audited financial statements of all entities in which the Territory has a 'controlling interest'.**

ACTION[49]

3.22 The audit found that operating expenses ($83.9m) in 2004-05 exceeded budget by $6.9m (8.9%) due to higher than expected increases in employee expenses resulting from a recent enterprise bargaining agreement; fuel costs; and maintenance costs on older buses. As a consequence, ACTION's net cost of services ($65.8m) in 2004-05 exceeded budget by $6.4m (10.8%).[50]

3.23 Government contributions therefore exceeded budget by $5.4m (9.4%) as extra funding was provided to meet the higher bus maintenance costs.[51]

3.24 In response, the Government noted that ACTION recognises the finding, as it reflects the actual outcome of financial performance for 2004-05.[52]

3.25 The Committee notes that compared to previous years, ACTION's costs have grown significantly due to rising employee and bus operating costs.[53]

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[49] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 48-49.

[50] *Ibid.*, p. 49.

[51] *Ibid.*

[52] Government submission, March 2006, p. 8.

[53] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 49.

ECOWISE[54]

3.26 The Audit Report identified several areas where controls and accounting practices could be improved, particularly financial statement preparation processes and corporate governance issues.[55]

3.27 The Government advised that the ECOWISE Board had noted the areas requiring improvement and would implement in 2005-06 a number of initiatives to address issues identified.[56]

Emergency Services Authority (the ESA)[57]

3.28 The Audit Report noted that:

> 'key features of the corporate governance framework, such as the Audit Committee and the Finance Committee, were established in 2004-05 and they were in the initial stages of having an impact on the operations of the Authority. The internal audit function for the Authority was open for public tender as at 30 June 2005'. [58]

3.29 In response, the Government advised that the ESA continued to strengthen its corporate governance framework with the Audit and Finance Committees respectively meeting regularly in 2005-06. ESA had appointed Acumen Alliance for its internal audit function and the Audit Committee has developed an audit schedule pending endorsement. Further, two initial audits had commenced and the ESA's Risk Management Plan had been drafted and would be finalised in the coming weeks.[59]

3.30 The Audit also noted that the ESA did not achieve its budgeted operating surplus of $17.9m because capital injection funding was not fully drawn down

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[54] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 49-51.

[55] *Ibid.*, p. 50.

[56] Government submission, March 2006, p. 9.

[57] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 52-53.

[58] *Ibid.*, p. 52.

[59] Government submission, March 2006, p. 10.

due to the discontinuation of the Belconnen and West Belconnen Joint Emergency Service Centre projects.[60]

3.31 The Government responded that the ESA was taking action to ensure that it managed within its budget allocation in the future. Further, as the concept was no longer viewed as sensible, the Belconnen and West Belconnen Joint Emergency Service Centre projects were cancelled. As a consequence, no capital injection was required.[61]

3.32 Subsequent to the Audit Report, the Committee notes that due to new administrative arrangements in April 2006, the ESA has now been subsumed within the Department of Justice and Community Safety (JACS).[62]

ACT Health[63]

3.33 The Audit noted that ACT Health's operating surplus ($2.3m) was less than the budgeted operating surplus ($12m) because funding for capital injections was not drawn down due to delays in projects relating to building refurbishment and a new building (ANU Medical School) at the Canberra Hospital.[64]

3.34 In response, the Government advised that ACT Health had experienced delays in the implementation of several capital works projects and decisions had been taken to not proceed with two projects. The delay of various projects and the cancellation of the Karralika and Renal projects were identified in the 2005-06 Budget brought down in May 2005.

3.35 The Government further advised that the delayed projects were the:

- ANU Medical School; and

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[60] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 53.

[61] Government submission, March 2006, p. 10.

[62] Jon Stanhope MLA, Chief Minister, Media release: 'New Ministries streamline and focus resources', 18 April 2006.

[63] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 54-58.

[64] *Ibid.*, p. 53.

- The Canberra Hospital's Building 10 lifts, orthopaedic theatre refurbishment, anatomical pathology laboratory, and various works at the imaging department.[65]

3.36 The Government attributed the delays to a combination of internal planning issues, the need to undertake a value management exercise to control potential cost overruns for the ANU Medical School and a longer than anticipated timeframe for the design and documentation phase for the Medical School.[66]

3.37 The Government also noted that the cancelled Karralika project might be considered for future capital works funding. Further, the cancellation of the Renal project was due to ACT Health securing a service based on a price per treatment that included the costs of the facility.[67]

3.38 The Audit Report also found that ACT Health's current ratio[68] was low (0.81:1) with $0.81 in current assets available to meet each dollar of current liabilities. The Auditor-General noted that ACT Health would need to manage its expenses carefully to avoid the need for unexpected cash injections from the Government to support its operations over the next twelve months.[69]

3.39 As a short-term solvency ratio, the current ratio expresses the relationship between those assets that can be converted into cash in the short term and the amounts an organisation has to pay out in the short term. It reflects the short-term debt paying ability of an organisation. A ratio of 2:1 is considered healthy. If the ratio is below 1:1 it means that an organisation is at risk of becoming insolvent.

3.40 In response, the Government advised that a large component of ACT Health's current liabilities were employee benefits and it was considered likely that ACT Health would end the 2005-06 year with a similar level of liabilities. The Government surmised that it was unlikely that any cash injections would be

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[65] Government submission, March 2006, p. 11.

[66] *Ibid.*

[67] *Ibid.*

[68] The ratio of current assets to current liabilities.

[69] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 57.

needed to manage this over the next 12 months and ongoing cash flow monitoring and management was being performed by ACT Health.[70]

Insurance Authority[71]

3.41 The Audit Report found that the Authority did not have enough assets to meet its liabilities at 30 June 2005 and its ability to meet any long-term liabilities and any unexpected losses had weakened in recent years.[72]

3.42 The Government advised that it had provided the Authority with an additional cash injection of $23 million in the 2005-06 Budget to address the increase in insurance liabilities.[73]

3.43 Further, the Government advised that the Authority's reinsurance program would be reviewed in 2006 and the Authority was also taking action to improve risk management practices within government to reduce the number of insurance claims.[74]

3.44 The Audit Report also found that the Authority did not manage its operations within the overall budget due to a rise in court awarded settlements for medical malpractice claims and the further identification of outstanding matters by agencies. According to the Auditor-General these factors were largely outside the control of the Authority and made it difficult for it to manage its costs to budget.[75]

3.45 In response, the Government advised that it agreed that the Authority's budget was heavily influenced by factors outside its direct control.[76]

3.46 The Committee notes that it has previously expressed concern regarding an increasing number of outstanding claims from the Department of Health,

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[70] Government submission, March 2006, p. 11.

[71] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 58-60.

[72] *Ibid.,* p. 58.

[73] Government submission, March 2006, p. 12.

[74] *Ibid.*

[75] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 58.

[76] Government submission, March 2006, p. 12.

which appear to have been overlooked, and the ability of the Government to meet insurance claims.

3.47 In its response to the Committee's *Report on 2003-04 Annual and Financial Reports*, the Government advised that a number of measures had been established to improve 'potential claim' reporting, including improved communication and networking between key stakeholders. The key stakeholders include the ACT Insurance Authority (ACTIA), ACT Government Solicitors, ACT Health and its agencies. This improved communication has resulted in:

- the establishment of a process for the reporting of potential claims from agencies to ACT Health, ACTIA and ACT Government Solicitors;
- the development and implementation of a Notification of Medical Incident Form to report medical incidents that may lead to, or have led to, a writ or a medical negligence claim; and
- implementation of ongoing education sessions to clinical staff in all health agencies. Representatives from ACTIA, ACT Government Solicitors and ACT Health facilitate the education sessions.[77]

Land Development Agency (including the Gold Creek Country Club, Kingston Stage 1A and other Joint Ventures)[78]

3.48 The Audit found that the Gold Creek Country Club (the GCCC)[79] continued to operate at a loss in 2004-05 and was reliant on Government financial support to continue its operations and to assist in meeting its commitments as they fell due.[80]

3.49 In response, the Government advised that the GCCC had been operating at a loss that had required its financial support for a number of years. In

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[77] Government response, Standing Committee on Public Accounts Report on 2003-04 Annual and Financial Reports, August 2005, p. 6.

[78] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 61-65.

[79] On 24 December 1997, the Government acquired full ownership of the golf course and the outstanding shares in the GCCC Pty Ltd, which was the manager of the golf course (Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 63).

[80] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 61.

October 2005, the Land Development Agency (the LDA) had exchanged contracts with a purchaser for the sale of the GCCC assets and operations. Settlement of the sale would be completed by May 2006, at which time the ACT would no longer be responsible for financial support of the GCCC.[81]

3.50 The Committee notes in the ACT Government's consolidated financial statements for the year ended 30 June 2005 it was recorded that the sale of GCCC was planned for the third quarter of the 2005-06 financial year.[82]

3.51 The Audit Report further noted that the financial performance of the GCCC in 2004-05 had been impacted by its proposed sale and the difficult conditions experienced in maintaining the condition of the golf course during the drought. Whilst revenue was less than the previous year, management had reduced expenses to contain the operating loss to a similar level to that incurred in the previous year.[83, 84]

3.52 The Audit report also identified several areas, such as fraud management, internal controls and accounting practices that could be improved and brought these to the attention of the GCCC.[85] The GCCC identified one instance of alleged fraud during the 2004-05 financial year.[86]

3.53 The Government advised that the GCCC had engaged a consultant to examine the adequacy of the current fraud management policies and operational procedures. As a consequence, the GCCC had taken action to improve its fraud management policies and operational procedures.[87]

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[81] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 64.

[82] Australian Capital Territory, *Consolidated Financial Statements 2004-05 Financial Year*, 2005, p. 49.

[83] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 64.

[84] The GCCC's operating loss of $1.1 million was similar to the $1.0 million loss incurred in 2003-04 (Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 64).

[85] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 65.

[86] *Ibid..*, p. 63.

[87] Government submission, March 2006, p. 13.

Legislative Assembly Secretariat[88]

3.54 The previous Audit Report, Auditor-General's Report No 10 of 2004: *2003-04 Financial Audits,* reported significant weaknesses in controls to the Secretariat. According to the previous Audit Report, the cumulative effect of these weaknesses was that the Secretariat was at particular risk of errors and irregularities (including fraud).[89]

3.55 The Committee notes the Auditor-General's finding[90] that the Secretariat had taken appropriate actions to address the significant weaknesses in controls (mainly related to payments) reported in the previous year.[91]

Superannuation Unit[92]

Accounting treatments

3.56 The Audit provided a qualification on the Superannuation Unit's financial statements for 2004-05 due to non-compliance with Australian Accounting Standards AASB 1018: 'Statement of Financial Performance' and AAS 29: 'Financial reporting by Government Departments' in relation to the accounting policy for the actuarially assessed movements in the superannuation liability.[93]

3.57 The issues raised by the Auditor-General regarding non-compliance with AAS in relation to the superannuation liability have been discussed earlier in Chapter three of this report under the Territory's financial statements.

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[88] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 65-66.

[89] Auditor-General's Report No 10 of 2004: *2003-04 Financial Audits*, p. 56; Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 66.

[90] Auditor-General's Report No. 7 of 2005: *2004-05 Financial Audits*, p. 5.

[91] Transcript of evidence, 1 December 2005, p. 145.

[92] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 67-72.

[93] *Ibid.*, p. 67.

Budget management

3.58 The Audit found that the Superannuation Unit continued to be unable to achieve the budgeted operating result because the significant increase in superannuation expenses substantially exceeded budget investment returns.[94]

3.59 The Government advised that the Superannuation Unit has limited managerial control over the investment assets and recorded revenues, the defined benefit superannuation liabilities and recorded expenses, and the operating result for the Superannuation Provision Account (SPA).[95]

3.60 The Government noted further that' as the investment assets of the SPA are subject to global financial market forces, it is important to note that these assets are invested with a long-term time horizon.[96] Over the short-term, asset valuations (investment earnings) will be volatile, but over the long-term estimated investment asset valuations and revenues will prove more predictable.[97]

3.61 Further, the Government advised that the superannuation liabilities of the SPA are actuarially determined using certain underlying financial and demographic assumptions, such as staffing levels, level of employee contributions, salary increases, inflation, percentage of final benefits taken as pension, death, mortality and disability, etc.[98]

3.62 Variations to liability valuations can be caused by developments in accounting standards and Government employment policy. Consequently, as annual actuarial reviews are conducted, any differences with actual experience versus the actuarial assumptions, as well as changes due to accounting standards or employment policy, will cause variations to the estimated liabilities.[99]

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[94] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 68.

[95] Government submission, March 2006, p. 15.

[96] *Ibid.*

[97] *Ibid.*

[98] *Ibid.*

[99] *Ibid.*

3.63 Due to the size of both the SPA investment portfolio and the Territory's unfunded superannuation liabilities, a small percentage variation to the original budget assumptions can cause variations to original budget estimates for the SPA.[100]

Superannuation liability

3.64 The Audit Report found that the Territory continues to have insufficient investments set aside to cover its superannuation liabilities. The Audit noted that the ratio of investments to superannuation liabilities has continued to decline from $0.65 at 30 June 2002 to $0.59 at 30 June 2005 in investments for each dollar of superannuation liabilities.[101]

3.65 The Government advised that the Territory has made meaningful progress in the funding of defined benefit superannuation liabilities.[102] Superannuation liabilities comprise over 60% of the Territory's liabilities and these will be extinguished over the next 80 to 100 years. Further, the Government is committed to its strategic objectives, which include a commitment to 90% coverage of accrued superannuation liabilities by 2039-40.[103]

3.66 The Chief Executive of the Department of Treasury further commented:

> 'The Government recently adopted the 'Public Sector Superannuation Accumulation Plan' (PSSAP) accumulation scheme for new ACT Government employees. As the PSSAP is a fully funded scheme, its introduction will significantly assist in managing future growth in superannuation liabilities. Further information on this matter is provided at pages 244 and 245 of 2005-06 Budget Paper No. 3'.[104]

3.67 The Committee notes that if the current trend were to continue there would be approximately 0% coverage of accrued superannuation liabilities by 30 June 2035.

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[100] Government submission, March 2006, p. 15.

[101] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 71.

[102] The Territory has been setting aside investment funds to meet superannuation liabilities as they fall due. From 1 July 2000, these funds were quarantined to be used for superannuation purposes by the *Territory Superannuation Provision Protection Act 2000* (Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 71).

[103] Government submission, March 2006, p. 16.

[104] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 28.

3.68 The Government further noted that the introduction of the Public Sector Superannuation Accumulation Plan (the PSSAP), as a fully funded scheme, would assist in managing future growth in superannuation liabilities.[105]

3.69 The Audit also found that although the PSSAP is expected to reduce costs, the recent significant upward trend in unfunded superannuation liabilities raises a question as to whether current Government strategies to manage this growing shortfall will be effective in preventing it from growing to the point where significant financial difficulties are experienced in the long term.[106]

3.70 In response, the Government noted that the Public Sector Superannuation Scheme (PSS) defined benefit scheme closed to new full time ACT employees on 1 July 2005. From that date new permanent ACT employees access the PSSAP, which is a fully funded scheme.[107]

3.71 The Government reiterated the Auditor-General's comment that there is no present threat to the Territory's finances because most of the unfunded superannuation liabilities will not need to be met for some years.[108]

3.72 The Committee notes, however, the Auditor-General's additional comments that the Territory will need to manage its finances to ensure that sufficient investments are set aside to address the current shortfall.[109]

Totalcare[110]

3.73 The Audit found that Totalcare continues to recognise a liability of $17.3 million for the estimated amount of superannuation contributions owing in respect of approximately 1,200 former employees that were incorrectly exited from the Commonwealth Superannuation Scheme (CSS) or PSS administered

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105 Government submission, March 2006, p. 16.

106 Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 72.

107 Government submission, March 2006, p. 16.

108 Government submission, March 2006, p. 16; Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 72.

109 Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 72.

110 *Ibid.*, p. 73.

by ComSuper.[111] Work continues on gathering the information required to determine the exact amount of this liability.[112]

3.74 The Government advised that the Australian Government Solicitor's office had completed reviewing almost 2,000 files to determine eligibility of employees for ComSuper membership. The review identified around 1,200 eligible employees. Treasury is currently reviewing each eligible employee's file to collect data required to calculate the amount of each contribution owing.[113]

3.75 Further, a provision had been raised in the financial statements for the estimated amount of outstanding superannuation contributions. As the individual data collection process for each eligible employee will take some time, the Government advised that the provision in the financial statements reflected a management estimate based on the best information available at the time. As a consequence, the final liability may vary from the estimated amount.[114]

3.76 The Committee notes that the Territory's consolidated financial statements for the year ended 30 June 2005, included (in the provision for expense accrued during the period for Commonwealth superannuation):

> '…an amount of $18m in relation to the employees of Totalcare Industries Limited and Australian International Hotel School, which did not exit the ComSuper Scheme appropriately. This estimate is based on the best information available at the time. The final amount may vary from this estimate'.[115]

RECOMMENDATION 4

3.77 **The Committee recommends that the Government inform the Assembly on the outcome of Treasury's review of superannuation contributions owing to eligible Totalcare Industries Limited and Australian International Hotel School employees.**

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111 Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 73.

112 *Ibid.*

113 Government submission, March 2006, p. 17.

114 *Ibid.*

115 Australian Capital Territory, *Consolidated Financial Statements 2004-05 Financial Year*, 2005, p. 37.

4 COMMITTEE COMMENTS

4.1 The Committee notes that most of the issues of significance identified by the Audit have been addressed or, the Government advises, are being addressed.

Territory superannuation liability

Superannuation future payments

4.2 The Audit noted that superannuation cash payments would rise steadily for many years. As reported in previous years, this is due to:

- the short period of the Territory's responsibility for employees' superannuation. The Territory's share of the superannuation payments to its long-serving retirees is currently relatively low because the Territory's liability only relates to CSS/PSS members employed with the ACT Public Service since 1 July 1989 (the Commonwealth is liable prior to that date). The Territory's share of the liability will rapidly grow as the service with the ACT Public Service becomes a larger proportion of the total service; and
- the age profile of its employees. Over the next few decades, many employees will be reaching retirement age and then the Territory will be required to pay superannuation entitlements accrued over years of service. For many of these employees, the retirement benefits provided under these defined benefits schemes will be indexed pensions that will continue over the lives of the members and their surviving spouses.[116]

4.3 The Committee notes that current trends indicate that an increasing number of ACT Government workforce employees will retire over the next ten years. This means that many of these employees will reach retirement age and it will

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[116] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 70.

become necessary for the Territory to meet its obligations for their superannuation entitlements.[117]

Accrued superannuation liabilities

4.4 Public sector employee superannuation entitlements are the largest financial liability on the Government's balance sheet. This liability relates to past and current public sector employees. As mentioned earlier in this report, over 60% of the Territory's liabilities are superannuation liabilities.

4.5 The Commonwealth (through ComSuper) manages all superannuation benefits of ACT Government employees in the CSS and PSS Schemes. ComSuper is liable to pay superannuation benefits to ACT Government retirees in accordance with the provisions of the *Superannuation Act 1996* (for CSS members) and the *Superannuation Act 1990* (for PSS members).

4.6 The ACT Government is required to reimburse the Commonwealth for the emerging costs of benefits paid for ACT Government service after 1 July 1989. This arrangement is subject to the ACT meeting ComSuper's administration costs for ACT staff and any associated actuarial costs.

4.7 The Territory's liabilities only reflect superannuation liabilities of employees accrued since self-government, as the ACT is only responsible for the superannuation payments in relation to this period. The Commonwealth Government is responsible for the satisfaction of emerging superannuation entitlements in relation to the period prior to self-government.

4.8 The accrued superannuation liability represents the obligation of the ACT to make payments to the Commonwealth in respect of superannuation arising from ACT Government employment. A full actuarial review is conducted every three years, with annual reviews to reflect actual staff numbers and salary movements. In 2003-04, all superannuation liability movements from Actuarial Review were recognised in full as an expense.

4.9 The new Australian Equivalent to International Financial Reporting Standard (AEIFRS) relating to superannuation is AASB 119 'Employee Benefits'[118]. As

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[117] ACT Public Service Human Resources Council, *Summary Report Retirement Intentions Survey for the ACT Public Service*, July 2002.

previously mentioned, AASB 119 replicates the requirements of the previous standard (AASB 1028) in most respects. However, AASB 119 requires entities to recognise a liability for unfunded superannuation. This was not previously required under AAS.[119]

4.10 The Committee notes that as at June 2006:

> '…the expected impacts of applying this standard to superannuation liability cannot be readily determined at this point in time due to differences in interpretation in respect of the methodology used to calculate the discount rate. The Heads of Treasuries Accounting and Reporting Advisory Committee is currently reviewing cross jurisdictional consistency of interpretations and methodologies with the intention of seeking an interpretation from the Australian Accounting Standards Board'.[120]

4.11 At its inquiry into the 2004-05 Annual and Financial reports, the Committee sought an indication of the impact of the superannuation funding liability on the public sector.[121] The Treasurer advised that the Government was still investing and working towards 2040.[122] Further, a Treasury official advised that the:

> '…strategy that was developed for the budget some years ago was designed to achieve a 90 per cent funding of our liabilities by the year 2040. We are currently going through the process of reviewing that strategy to reflect the fact that the two defined benefit schemes, the CSS and the PSS, closed as of 1 July this year, and that is going to make a major difference to the total amount of liabilities projected over the long term under those schemes'.[123]

4.12 The Committee notes that funding employee superannuation entitlements as they accrue contributes to improved net worth over the medium term. Despite

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[118] AASB 119 replaces the current Australian Standard AASB 1028 Employee Benefits. The Standard applies to annual reporting periods beginning on or after 1 January 2006, but allows for early adoption from 1 January 2005. Most ACT Government entities will commence applying Australian Equivalents of International Accounting Standards (AIFRSs) from 1 July 2005.

[119] NSW Treasury Analysis, International Accounting Standards, February 2005, p.1.

[120] Australian Government, Budget 2006-07, Budget Paper No. 1, Statement 10: Australian Accounting Standards Financial Statements, pp. 5-6.

[121] Standing Committee on Public Accounts, *Inquiry on 2004-05 Annual and Financial Reports, Transcript of evidence*, 26 October, 2005, p. 13.

[122] *Ibid.*

[123] *Ibid.*

this, the existing superannuation liability is expected to continue to grow, largely due to the continued growth of entitlements accruing to existing members of closed schemes.

Management of capital works

4.13 The Audit found that capital works funding was underspent by $26m (12%) in 2004-05 due mainly to delays in projects. This under-expenditure was of a smaller proportion compared to previous years and suggests there was some improvement in the delivery of capital projects.[124]

4.14 The Territory's capital works funding ($218m in 2004-05) includes funding for schools, construction, roads, bridges and other infrastructure and minor new works. The capital works program also included major upgrades to Territory owned buildings and other facilities. Housing ACT's capital works program was predominantly funded from the sale of land and housing rather than by capital appropriations.[125]

4.15 The Committee notes that previous Auditor-General reports have reported that the allocated capital works budget was significantly underspent mainly due to delays in projects. This underspending, while continuing into 2004-05, was of a smaller proportion and is indicative that there has been some improvement in the delivery of capital projects.[126]

4.16 The underspending of capital works funding in 2004-05 can be attributed mainly to: Housing ACT ($5m); Department of Urban Services ($2m); Department of Education and Training ($5m); ACT Health ($3m); Department of Justice and Community Safety ($3m); and Chief Minister's Department ($4m).[127]

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[124] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 17.

[125] *Ibid.*, p. 39.

[126] *Ibid.*

[127] *Ibid.*, pp. 39-40.

4.17 The underspending was due in the main to delays in projects. In the case of Housing ACT, the underspending was mostly due to fewer properties being purchased by Housing ACT ($5m) than anticipated at the time of budget.[128]

4.18 The Committee notes that the Government has made improvements to the monitoring, planning and procurement of capital works since 2003-04. This has included a capital works framework for the development of business case proposals, incorporating linkages to whole-of-Government objectives in planning for new or replacement infrastructure. This framework was implemented in 2006-07 budget process.[129]

4.19 Further, the Committee is aware that the Treasurer announced in May 2005 that the Government would reform procurement arrangements across Territory agencies and centralise the majority of procurement activities in Procurement Solutions. The transferring of responsibility for the procurement and delivery of capital works projects to Procurement Solutions may enable a more coordinated and consistent approach to the procurement of capital works.[130]

4.20 Further, the capital upgrades program that commenced in the 2005-06 Budget allows agencies, based on principles of strategic asset management, to better plan for and manage expenditure on existing infrastructure or programs. According to the Government, this has made a significant improvement in planning for a large component of the capital works program.[131]

4.21 The Committee is of the view that a consistent approach to the management of capital works will not only assist agencies in improving the planning and delivery of projects but, in the long run, will also maximise value for the Government dollar and contribute to more effective service delivery.

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[128] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, p. 39.

[129] Government response to the Standing Committee on Public Accounts Report No. 4, *Review of Auditor-General's Report No 10 of 2004: 2003-04 Financial Audits*, February 2006, p. 3.

[130] *Ibid.*

[131] *Ibid.*

4.22 In its inquiry into 2004-05 Annual Reports, the Committee was interested in whether the Government would continue funding capital works from unencumbered cash. The Treasurer stated that:

> '…at this stage, there isn't a projected need for borrowing. It may happen, depending on the works that the territory needs or the Government decides upon…at this point, no, but as the territory grows, expands and becomes more self sufficient than it has been, jails and things like that, it may be the case…'.[132]

4.23 The Committee notes that there are differing views on borrowing to fund capital spending which are influenced by how Governments across various jurisdictions deal with the challenge of changing demographics, and in:

> '…particular how they approach the budget constraint they impose – by raising the tax burden on current or future taxpayers, by cutting public spending, by running up debt, or by going for faster economic growth…'.[133]

[132] Transcript of evidence, 26 October 2005, pp. 15-16.

[133] Wood, A., *Reforming Australia: New Policies for a New Generation*, 'The Budget Constraints', Melbourne University Press, 2004, p. 152.

5 CONCLUSION

5.1 The Committee acknowledges the views presented and the findings made in Auditor-General's Performance Audit Report No 7 of 2005.

RECOMMENDATION 5

5.2 **The Committee recommends that the Legislative Assembly for the ACT note the findings of Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*.**

5.3 The Committee has made five recommendations in relation to its inquiry into Auditor-General's Performance Audit Report No 7 of 2005: *2004-05 Financial Audits*.

Richard J Mulcahy MLA

Chair

29 November 2006

APPENDIX A: Financial statement audits included in the Audit Report[134]

The Report summarises the results of the audits of the financial statements of the Territory and its agencies in 2004-05. Seventy-four audits of financial statements were undertaken in 2004-05, comprising of:[135]

- 1 Territory
- 20 Departments/agencies
- 21 Statutory Authorities
- 14 Territory owned corporations and other companies
- 11 Land development joint ventures and partnerships
- 7 other financial audits

Departments/agencies

Central Financing Unit

Chief Minister's Department

Disability, Housing and Community Services

Economic Development

Education and Training

Emergency Services Authority

Executive

Forests

ACT Health

[134] Auditor-General's Report No 7 of 2005: *2004-05 Financial Audits*, pp. 9-10.

[135] *Ibid.*, p. 1.

Home Loan Portfolio

Housing ACT

InTACT

Justice and Community Safety

Legislative Assembly Secretariat

Office for Children, Youth and Family Support

Planning and Land Authority

Superannuation Unit

Treasury

Urban Services

Workcover

Statutory Authorities

ACTION

Australian Capital Tourism Corporation

Australian International Hotel School

Building and Construction Industry Training Fund Board

Canberra Institute of Technology

Canberra Public Cemeteries Board

Cleaning Industry Long Service Leave Board

Construction Industry Long Service Leave Board

Cultural Facilities Corporation

Gambling and Racing Commission

Healthpact

Independent Competition and Regulatory Commission

Insurance Authority

Land Development Agency

Legal Aid Commission

National Exhibition Centre Trust

Public Trustee Office Account

Public Trustee Trust Account

Stadiums Authority

University of Canberra

Workers' Compensation Supplementation Fund

Territory Owned Corporations and Other Companies

ACTEW China Pty Ltd

ACTEW Corporation Ltd

ACTEW Distribution Ltd

ACTEW Retail Ltd

ACTTAB Ltd

CIT Solutions Pty Ltd

Community Housing Canberra Ltd

ECOWISE Environmental Pty Ltd

ECOWISE Environmental (VIC) Pty Ltd

Water Quality Centres Pty Ltd

Water ECOscience Pty Ltd

Rhodium Asset Solutions Ltd

Totalcare Industries Ltd

University of Canberra College Pty Ltd

Land Joint Ventures and Partnerships

ActewAGL Joint Venture General Purpose Statements

ActewAGL Concise Statements

ActewAGL Distribution Partnership

ActewAGL Retail Partnership

Amaroo 3 Joint Venture

Amaroo 3 Joint Venture Pty Ltd

Gold Creek Country Club Pty Ltd

Harcourt Hill Estate

Harcourt Hill Estate Pty Ltd

Kingston Stage 1A Joint Venture

Southside Estate Joint Venture

Other Audits

Canberra Business Development Fund – December 2004

Canberra Business Development Fund – June 2005

Hall Cemetery Perpetual Care Trust

Gungahlin Cemetery Perpetual Care Trust

Nicholls Primary School Joint Facilities

Nominal Insurer

Woden Cemetery Perpetual Care Trust