



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

**2009-10 AND 2010-11 FINANCIAL AND PERFORMANCE OUTCOMES QUESTIONNAIRE
— PART ONE**

VICTORIAN AUDITOR-GENERAL'S OFFICE

SECTION A: **Output variations**

Question 1

In relation to the departmental outputs listed in the budget papers, please provide a detailed explanation for all instances where an output cost for 2009-10 or 2010-11 varied from the initial target by greater than ± 10 per cent:

VAGO response: No variations greater than 10 per cent.

Question 2

Regarding your organisation's performance measures in the budget papers:

(a) How did your organisation's 2008-09 results influence planning in 2009-10?

VAGO response:

Where results met Budget Paper Three targets for 2008-09, VAGO adopted a business-as-usual approach to forward planning.

Some results exceeded or were below targets, and influenced planning for 2009-10 as follows:

OUTPUT GROUP 1

- **Quantity of Auditor-General's Reports** – The result of 32 reports exceeded the target of 31. Following review of the year's results, the target was increased to 34 for 2009-10. This was comprised of 2 further sector-based financial audit results (following strong positive feedback on the first such sector report), and 1 'carry over' performance audit report from 2008-09.
- **Overall level of external satisfaction with audits (audit clients)** - The rating of 72 was under target of 80. After careful consideration of 2008-09 and prior year results, and comparative analysis of similar survey results in other jurisdictions, the target was dropped to 75 to more realistically reflect a likely level of audited agency satisfaction with external audits. Key areas for improvement identified through the survey were addressed through VAGO Business and individual performance plans, including a stronger focus on client communication and timeliness.
- **Reports completed on time** – This result of 72 per cent was materially under the target of 90. Review of the causes underlying this under-achievement led to an organisational focus in 2009-10 on improving timeliness of the audit program, leading to a steady improvement in subsequent years' results (81 per cent in 2009-10 and 90 per cent in 2010-11).
- **Total output cost** - \$13.3 million exceeded target of 12.2 million. Review of the underlying factors behind this variation for target led to a revised cost target for 2009-10 of \$13.9 million, reflecting the growing complexity of the audit process, cost of delays and increased quantity of tabled reports.
- **Inquiries responded to within four weeks** – This result of 72 per cent was significantly under the target of 95. Review of the causes underlying this under-achievement led to an organisational focus in 2009-10 on improving timeliness of inquiries function, leading to a steady improvement in subsequent years (93 per cent in 2009-10 and 99 per cent in 2010-11).

OUTPUT GROUP 2

- **Quantity of audit opinions was 592 compared to target of 623.** Review of the results revealed that it was partly due to the cessation of certain audits as entities closed down. This influenced a revised target in 2009-10 of 598
- **Overall external satisfaction with audits (audit clients)** - The rating of 76 was under target of 80. After careful consideration of 2008-09 and prior year results, and comparative analysis of similar survey results in other jurisdictions, the target was dropped to 75 to more realistically reflect a likely level of audited agency satisfaction with external audits. Key areas for improvement identified through the survey were addressed through VAGO Business and individual performance plans, including a stronger focus on useful audit reporting and timeliness.
- **Total output cost** - \$19.9 million exceeded target of \$15.6 million, but was only a moderate increase from prior year result of \$19.2 million. Review of the underlying factors behind this variation for target led to a revised cost target for 2009-10 of \$19.8 million, reflecting the significant additional work required by changes to auditing standards. The average cost per audit opinion increased by around 12 per cent from 2007-08, in line with national trends.

(b) [How did your organisation's 2009-10 results influence planning in 2010-11?](#)

VAGO response: Where results met Budget Paper Three targets for 2009-10, VAGO adopted a business-as-usual approach to forward planning.

Some results exceeded or were below targets, and influenced planning for 2010-11 as follows:

OUTPUT GROUP 1

- **Quantity of Auditor-General's Reports** – The result of 32 reports was under the target of 34. Following review of the year's results, the target was increased to 37 for 2010-11, to allow for 2 'carry over' performance audit reports from 2009-10 and 1 additional financial audit report issued after Parliament opened in 2011 (2010 results had been reported as 'interim' due to the expiry of Parliament leading up to the 2010 election).
- **Overall level of external satisfaction with audits (audit clients)** - The rating of 69 was under target of 75 and down from 72 in 2008-09. Key areas for improvement identified through the survey were addressed through VAGO Business and individual performance plans, including a stronger focus on communicating audit value and managing contentious audits.
- **Overall level of external satisfaction with audits (Parliamentarians)** - The rating of 92 was above target of 85. Areas attracting particular positive response were factored into Business Planning and Annual Planning for 2010-11, in order to maintain the positive result e.g. positive response to new financial audit reporting approach.
- **Reports completed on time** - Whilst the result of 81 per cent was still under target of 90 per cent, review of the year's results revealed strong improvement from prior year and indicated that the internal improvement initiatives were having positive effect. This led to a continuation of these initiatives (including a concerted effort to decrease delays in accessing evidence for agencies) in the 2010-11 VAGO Business Plan.
- **Inquiries responded to within four weeks** – Whilst the result of 93 per cent was slightly under the target of 95, review of the year's results revealed strong improvement from prior year and indicated that the internal improvement initiatives were having positive effect. This led to a continuation of these initiatives (including more frequent and comprehensive internal monitoring and reporting of this function) in 2010-11 VAGO Business Plan.

- **Total output cost** - \$14.5 million exceeded target of \$13.9 million. Review of the underlying factors behind this variation for target identified costs arising from delays in audits. These issues were factored to forward planning for 2010-11, with a continued focus on decreasing costly delays and challenges late in the audit process. Following the review of 2009-10 results, an additional \$200 000 appropriation was carried forward from 2009-10 to take account of unfinished 2009-10 audits, bringing the 2010-11 target to \$14.3 million.

OUTPUT GROUP 2

- **Quantity of audit opinions was 592 compared to target of 600.** Review of the results revealed that it was partly due to the removal of community health centres from the audit mandate following amendment to the *Health Services Act 1988*. This influenced a revised target in 2010-11 of 541.
- **Total output cost** - \$20.4 million exceeded target of \$19.8 million. Review of the results revealed that additional costs were largely due to the tighter timetable required to finalise the 2009-10 financial audits ahead of the 2010 election. Given the likelihood of continuing earlier timeframes for financial reporting, the target for 2010-11 was set at \$20.3 million.

Question 3

For each of the output costs listed for the Victorian Auditor-General's Office in the budget papers, please break the expense for 2010-11 down into the first six months and second six months of the financial year and explain any variations greater than ± 10 per cent between the two six-month amounts:

VAGO response:

Output	Expense 1/7/2010-31/12/2010	Expense 1/1/2011-30/6/2011	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Victorian Auditor-General's Office - Parliamentary Reports and Services	\$7.6	\$7.1	n/a
Victorian Auditor-General's Office - Audit Reports on Financial Statements	\$11.4	\$9.9	Monthly spend impacted by spread of Financial Audit schedule throughout the year.

Question 4

With respect to the performance measures listed in the 2010-11 budget papers for the Victorian Auditor-General's Office (including the quality, quantity, timeliness and cost measures), for each measure where the actual result to 31 December 2010 varied by more than ± 10 per cent from the target result for 31 December 2010, please provide:

- (a) the target for 31 December 2010;
- (b) the actual result for 31 December 2010;
- (c) an explanation for the variation.

This information may be based on the information provided to the Department of Treasury and Finance as part of the half-yearly revenue certification process.

VAGO response: There were no performance measures available at 31 December 2010 where there was a variation of greater than ± 10 per cent.

If your organisation is unable to provide this information to the Committee, please explain:

- (a) why this information is not available; and
- (b) how your organisation tracks its progress during the year with respect to its performance measures.

VAGO response:

- a) Information is not available for the following measures because they are only measures (and therefore the target is set) on an annual basis:
 - Parliamentary reports and services: Overall level of external satisfaction with audits – audit clients
 - Parliamentary reports and services: Overall level of external satisfaction with audit reports and services – Parliamentarians
 - Audit reports on Financial Statements: Overall level of external satisfaction with audits – audit clients
- b) Interim results for each audit are received directly after the audit and are used for continuous improvement purposes.

SECTION B: **Asset investment**

Question 5

This question does not apply to the Victorian Auditor-General's Office.

Question 6

This question does not apply to the Victorian Auditor-General's Office.

Question 7

This question does not apply to the Victorian Auditor-General's Office.

Question 8

Please provide the following details of any asset investment projects where the actual expenditure in 2009-10 or 2010-11 varied from the budget estimate for expenditure by greater than ± 10 per cent.

VAGO response: No such asset projects

Question 9

For each of your organisation's asset projects procured and delivered through project alliancing, please provide the following details (please provide all figures in \$ million):

VAGO response: No such asset projects

Question 10

For each of your organisation's asset projects procured through Partnerships Victoria arrangements, please provide the following details (please provide all figures in \$ million):

VAGO response: No such asset projects

Question 11

Please provide the following details of any asset projects that your organisation is involved with which have a TEI greater than \$50 million which are not detailed in Budget Paper No.4 or for which details have not been supplied in response to Question 9 or Question 10 above.

VAGO response: No such asset projects

Question 12

For any asset projects where some components are funded/delivered by the Government directly and some are funded/delivered through Partnerships Victoria arrangements in 2009-10 or 2010-11, please supply the following details of the Government funding:

VAGO response: No such projects

Question 13

How many staff (full-time equivalent numbers) were employed by your organisation to work on public private partnerships on 30 June 2009, 2010 and 2011? Please break this number down by how many are ongoing, fixed-term, contractors and consultants.

VAGO response: No such projects

Question 14

How many staff (full-time equivalent numbers) were employed by your organisation to work on alliancing projects on 30 June 2009, 2010 and 2011? Please break this number down by how many are ongoing, fixed-term, contractors and consultants.

VAGO response: No such projects

Question 15

Regarding the Partnerships Victoria Contract Management Training delivered by the Department of Treasury and Finance:

- (a) How many contract managers does your organisation currently employ for Partnerships Victoria projects, how many have undertaken this training, within how many months from their appointment in this role and at what cost?
- (b) What proportion of the contract managers currently working on Partnerships Victoria projects have sought, and what proportion gained, an exemption to this training?
- (c) Have other people in your organisation undertaken this training? If so, how many and for what reason?

VAGO response: No such projects

Question 16

Regarding the Partnerships Victoria Contract Managers' Forums:

- (a) What proportion of your organisation's current contract directors and contract managers participate in these forums, and at what stage of the public-private partnership project?
- (b) Have other people in your organisation participated in the forums? If so, how many and for what reason?
- (c) Has an assessment or evaluation of the usefulness of these forums, and any other services provided by Partnerships Victoria, been done? If so, please provide the results of this evaluation.

VAGO response: No such asset projects

Question 17

Please detail any other training and development arrangements (including training delivered by the Department of Treasury and Finance, other providers and internal training) that are in place within your organisation for staff involved in overseeing, evaluating or managing asset projects delivered through Partnerships Victoria, alliancing or other arrangements, including:

- (a) the type of training;
- (b) the purpose of the training;
- (c) the number of people trained; and
- (d) expenditure incurred on the training.

VAGO response: No such asset projects

Question 18

For each category into which financial assets, non-financial assets and liabilities are broken down in your organisation's balance sheet in its annual report, please provide the balances as at 30 June 2010, 31 December 2011 and 30 June 2011 and explain any variations greater than ± 10 per cent from one date to the next:

30 June 2010 and 31 December 2010:

Financial asset, non-financial asset and liability categories	Balance as at 30 June 2010	Balance as at 31 December 2010	Explanation for any variances greater than ± 10 per cent
	(\$ million)	(\$ million)	
Cash	\$0	\$0	
Receivables	\$8.4	\$8.7	
PPE	\$2.1	\$1.9	Accumulated depreciation
Intangible	\$0.4	\$0.4	
Other non financial assets	\$0.5	\$0.4	Normal fluctuation in prepayments
Payables	\$0.9	\$0.7	Normal fluctuation in accruals
Borrowings	\$0.3	\$0.3	
Provisions	\$4.6	\$4.8	

31 December 2010 and 30 June 2011:

Financial asset, non-financial asset and liability categories	Balance as at 31 December 2010	Balance as at 30 June 2011	Explanation for any variances greater than ± 10 per cent
	(\$ million)	(\$ million)	
Cash	\$0	\$0	
Receivables	\$8.7	\$9.7	Amounts due from Vic Govt (SAU) increased.
PPE	\$1.9	\$2.0	

Intangible	\$0.4	\$0.3	Accumulated amortisation
Other non financial	\$0.4	\$0.7	Normal fluctuation in prepayments
Payables	\$0.7	\$1.6	Increase in accruals due to late billing by audit service providers.
Borrowings	\$0.3	\$0.2	Reduction in motor vehicles under finance lease.
Provisions	\$4.8	\$4.8	

Question 19

This question does not apply to the Victorian Auditor-General's Office.

Question 20

Please identify all asset projects where the construction completion date (including the commissioning phase) was revised in 2009-10 or 2010-11, providing:

- (a) the original and revised completion dates for each project;
- (b) when the change to the completion date was approved; and
- (c) specific reasons for any revision to completion dates.

VAGO response: No such asset projects

SECTION C: **Revenue and revenue foregone**

Question 21

For 2009-10 and 2010-11, please explain and detail the impact of any variances greater than ± 10 per cent in any revenue/income category detailed in your organisation's operating statement in its annual report and the total revenue/income for the year compared to:

- (a) the initial budget for the year; and
- (b) the actual for the prior year.

Revenue in 2009-10:

Revenue category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanations for variances greater than ± 10 per cent	Impact of variances
Output Appropriations	\$31.0	\$33.2	\$34.6	Additional S29 revenue earned, offset by expenditure.	Minimal due to offset
Special Appropriations	\$0.4	\$0.5	\$0.4		
Sale of Goods and Services	\$0.2	\$0.1	\$0.6	Additional revenue earned in relation to seconded staff, offset by expenditure.	Minimal due to offset
Fair value of services received free of charge	\$0.0	\$0.0	\$0.0		

Revenue in 2010-11:

Revenue category	2009-10 actual	2010-11 Budget	2010-11 actual	Explanations for variances greater than ± 10 per cent	Impact of variances
Output Appropriations	\$34.6	\$33.7	\$35.7	Additional S29 revenue earned, offset by expenditure.	Minimal due to offset
Special Appropriations	\$0.4	\$0.5	\$0.4		

Sale of Goods and Services	\$0.6	\$0.1	\$0.3	Additional revenue earned in relation to seconded staff, offset by expenditure.	Minimal due to offset
Fair value of services received free of charge	\$0.0	\$0.3	\$0.0	Budget included revenue for triennial external performance audit of VAGO. Subsequently agreed that this should be excluded from VAGO's accounts.	Zero due to offset.

Question 22

For each of the income from transactions categories listed by your organisation in its comprehensive operating statement in its annual report (e.g. output appropriations, grants, sales of goods and services), please break the income for 2010-11 down into the first six months and second six months of the financial year and explain any variations greater than ± 10 per cent between the two six-month amounts:

Income from transactions	Income 1/7/2010-31/12/2010	Income 1/1/2011-30/6/2011	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Output Appropriations	\$18.6	\$17.1	
Special Appropriations	\$0.2	\$0.2	
Sale of Goods and Services	\$0.2	\$0.1	Recoupment of salaries of secondees from VAGO
Fair value of services received free of charge	\$0.0	\$0.0	

Question 23

Please provide an itemised schedule of any concessions and subsidies (revenue foregone) (see the Explanatory Memorandum for a definition of concessions and subsidies) provided by your organisation in 2009-10 and 2010-11. For each item, please:

- describe the purpose of the concession/subsidy;
- explain any variations greater than ± 10 per cent between the actual expenditure and the initial budget for the year;
- explain any variations greater than ± 10 per cent between the actual expenditure and the actual for the prior year;
- indicate the number of concessions/subsidies granted in each category; and

- (e) explain whether the outcomes expected to be achieved by granting these concessions or providing these subsidies have been achieved.

VAGO response: This question is not applicable.

Question 24 (Department of Treasury and Finance only)

This question does not apply to the Victorian Auditor-General's Office.

SECTION D: **Expenditure**

Question 25

For 2009-10 and 2010-11, please explain and detail the impact of any variances greater than ± 10 per cent in any expense category detailed in the organisation's operating statement in its annual report and the total expenditure for the year compared to:

- (a) the initial budget for the year; and
- (b) the actual for the prior year.

Expenditure in 2009-10:

Expenditure category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanations for variances greater than ± 10 per cent	Impact of variances
Employee Expenses	\$15.8	\$17.8	\$17.9	Delays due to protracted report clearances increased the periods for fixed term/casual employees in 2009-10.	Minimal - decrease in the need for fixed term staff due to ongoing appointments in 2010-11.
Depreciation/amortisation	\$0.9	\$0.8	\$0.8	Reduction in amortisation of computer software development if IPSAM - Asset base remains relatively unchanged	Minor due to rounding differences to the nearest \$0.1m
Interest Expense	\$0.0	\$0.0	\$0.0	n/a	
CAC	\$0.3	\$0.2	\$0.2	CAC realigned with DTF since moving into 35 Collins St accommodation as previous baseline was slightly overstated.	Minor due to rounding differences to the nearest \$0.1m
Services provided FOC	\$0.1	\$0.0	\$0.1	n/a	
Contract Audit Services	\$11.2	\$9.9	\$10.9	n/a	

Rental expenses	\$1.4	\$1.4	\$1.5	n/a	
Recruitment & Training	\$0.8	\$1.0	\$0.9	n/a	
Other operating expenses	\$2.7	\$2.6	\$2.6	n/a	
Total	\$33.2	\$33.7	\$34.9	n/a	

Expenditure in 2010-11:

Expenditure category	2009-10 actual	2010-11 Budget	2010-11 actual	Explanations for variances greater than ±10 per cent	Impact of variances
Employee Expenses	\$17.9	\$18.4	\$18.9	n/a	
Depreciation/amortisation	\$0.8	\$0.7	\$0.8	n/a	
Interest Expense	\$0.0	\$0.0	\$0.0	n/a	
CAC	\$0.2	\$0.2	\$0.2	n/a	
Services provided FOC	\$0.1	\$0.0	\$0.1	n/a	
Contract Audit Services	\$10.9	\$9.9	\$11.6	Contract audit costs increased due to additional S29 revenue being earned during the period.	Offset by additional revenue.
Rental expenses	\$1.5	\$1.5	\$1.5	n/a	
Recruitment & Training	\$0.9	\$0.9	\$0.7	n/a	
Other operating expenses	\$2.6	\$3.0	\$2.2	n/a	
Total	\$34.9	\$34.6	\$36.0	n/a	

Question 26

For each of the expenses from transactions categories listed by your organisation in its comprehensive operating statement in its annual report (e.g. employee expenses, grants, depreciation and amortisation), please break the expense for 2010-11 down into the first six months and second six months of the financial year and explain any variations greater than ± 10 per cent between the two six-month amounts:

Expenses from transactions	Expenses 1/7/2010-31/12/2010	Expenses 1/1/2011-30/6/2011	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Employee Expenses	\$9.8	\$9.1	
Depreciation/amortisation	\$0.4	\$0.4	
Interest Expense	\$0.0	\$0.0	
CAC	\$0.1	\$0.1	
Services provided FOC	\$0.0	\$0.1	
Contract Audit Services	\$6.5	\$5.1	Monthly spend impacted by spread of Financial Audit schedule throughout the year.
Rental expenses	\$0.7	\$0.8	
Recruitment & Training	\$0.4	\$0.3	
Other operating expenses	\$1.1	\$1.1	
Total	\$19.0	\$17.0	

Question 27

Please provide details of any evaluations of grants programs that were conducted by your organisation in 2009-10 or 2010-11, including any findings about:

- (a) the outcomes achieved by the programs; or
- (b) the effectiveness of grants at achieving planned outcomes compared to other modes of service delivery.

VAGO response: No such programs

Question 28 –

Please provide the following details about the realisation of efficiency and savings targets in 2009-10 and 2010-11:

VAGO response: Unlike government departments, VAGO has not and does not operate under an efficiency dividend regime.

Question 29

- (a) Please outline the Victorian Auditor-General's Office's expenditure in 2008-09, 2009-10 and 2010-11 and any savings achieved in 2010-11 for these areas targeted in the Government's election commitment savings:

VAGO response: Expenditure outlined below. VAGO was not subject to election commitments for savings.

Category	Actual expenditure			2010-11 savings target	2010-11 actual savings	Explanation for variations between 2010-11 savings target and actual savings greater than ±10 per cent
	2008-09	2009-10	2010-11			
	(\$ million)	(\$ million)	(\$ million)			
Ministerial staff				n/a	n/a	n/a
Media and marketing positions				n/a	n/a	n/a
Consultants	0.2	0.6	0.2	n/a	n/a	n/a
Government advertising				n/a	n/a	n/a
Political opinion polling				n/a	n/a	n/a
External legal advice				n/a	n/a	n/a
Senior public service travel	0.2	0.2	0.2	n/a	n/a	n/a
Government office floor space	1.4	1.5	1.5	n/a	n/a	n/a
Supplies and consumables	0.1	0.1	0.1	n/a	n/a	n/a
Shared services				n/a	n/a	n/a
Head office staff	15.8	17.9	18.9	n/a	n/a	n/a
Total	17.7	20.3	20.9	n/a	n/a	n/a

(b) If details are not available for any of these categories, please advise why details are not available:

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Question 30

This question does not apply to the Victorian Auditor-General's Office.

SECTION E: **Public sector workforce****Question 31**

Please detail the total full-time equivalent number of staff as at 30 June 2009, 30 June 2010, 31 December 2010 and 30 June 2011, and explain any significant variations (greater than ± 10 per cent) from one date to the next in the following tables:

Numbers in 2009 and 2010:

Total FTE (30 June 2009)	Total FTE (30 June 2010)	Explanation for any variations greater than ± 10 per cent
149.2	167.3	Resourcing was set to meet the audit program.

Numbers in 2010:

Total FTE (30 June 2010)	Total FTE (31 December 2010)	Explanation for any variations greater than ± 10 per cent
167.3	157.6	n/a

Numbers in 2010 and 2011:

Total FTE (31 December 2010)	Total FTE (30 June 2011)	Explanation for any variations greater than ± 10 per cent
157.6	163.4*	n/a

Question 32

In the tables below, please detail the salary costs* for 2008-09, 2009-10 and 2010-11, broken down by ongoing, fixed-term and casual and explain any variations greater than 10 per cent between the years for each category.

***Costs in 2009-10:**

*Salary costs exclude on-costs (base only).

Employment category	Gross salary 2008-09*	Gross salary 2009-10*	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	\$14.7	\$14.9	
Fixed-term	\$1.0	\$2.8	Delays due to protracted report clearances increased the periods for fixed term/casual employees.
Casual	\$0.1	\$0.2	
Total	\$15.8	\$17.9	

***Costs in 2010-11:**

Employment category	Gross salary 2009-10*	Gross salary 2010-11*	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	\$14.9	\$16.9	Increase in ongoing staff appointments
Fixed-term	\$2.8	\$1.8	Decrease in the need for fixed term staff due to ongoing appointments.
Casual	\$0.2	\$0.2	
Total	\$17.9	\$18.9	

For each of the employment categories, please break the expense for 2010-11 down into the first six months and second six months of the financial year and explain any variations greater than ± 10 per cent between the two six-month amounts:

Employment category	Gross salary 1/7/2010-31/12/2010	Gross salary 1/1/2011-30/6/2011	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	\$8.1	\$8.7	
Fixed-term	\$0.9	\$1.0	
Casual	\$0.1	\$0.1	
Total	\$9.1	\$9.8	

*Salary costs exclude on-costs (base only).

Question 33

This information comes from the VAGO 2010-11 Annual Report.

- (a) For what roles within your organisation were contractors or contract staff used in 2009-10 and 2010-11 (refer to Explanatory Memorandum for definition of contractors)?

VAGO response: Contractors were outsourced through a proper tender process to provide performance and financial audit services as audit service providers. Contract staff backfilled vacant positions and assisted with seasonal work.

- (b) Please itemise the services delivered by contractors or contract staff in 2009-10 and 2010-11:

****Contractors/contract staff in 2009-10:**

** The following has outsourced audit service providers (ASPs) – FTE size depends on size of audit engagement.

Service category	Number of contractors/contract staff**	Value of services (\$)
Performance audits	40	\$1.4 M

Financial audit service providers	23	\$9.4 M
Contract Staff	FTE is not used as the basis for measuring these services.	\$0.7M

****Contractors/contract staff from 1 July to 31 December 2010:**

Service category	Number of contractors/contract staff**	Value of services (\$)
Performance audits	Not measured in six monthly intervals	\$0.8M
Financial audit service providers	Not measured in six monthly intervals	\$5.7M
Contract Staff	Not measured in six monthly intervals	\$0.2M

****Contractors/contract staff from 1 January to 30 June 2011:**

Service category	Number of contractors/contract staff**	Value of services (\$)
Performance Audits	Not measured in six monthly intervals	\$0.6M
Financial audit service providers	Not measured in six monthly intervals	\$4.5M
Contract Staff	Not measured in six monthly intervals	\$0.5M

** The following has been outsourced audit service providers (ASPs) – FTE size depends on size of audit engagement.

- (c) For each specific contractor or contract staff paid in excess of \$100,000 per annum that has been engaged by your organisation during 2009-10 or 2010-11, please supply the following details:

****Contractors/contract staff in 2009-10:**

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months**	Reasons why a VPS employee or equivalent could not undertake the work
Arche Consulting PTY LTD	Performance audit	122,000	FTE is not used as the basis for measuring these services.	Audit required specialised technical knowledge
ACER	Performance	120,000	FTE is not used as the basis for measuring	Audit required specialised

	audit		these services.	technical knowledge
Ernst & Young	Performance audit	109, 000	FTE is not used as the basis for measuring these services.	Audit required specialised technical knowledge
HLB Mann Judd (Vic) Pty Ltd	Performance audit	138, 000	FTE is not used as the basis for measuring these services.	Audit required specialised technical knowledge
Paradigm Advisory Pty Ltd	Performance audit	103, 000	FTE is not used as the basis for measuring these services.	Audit required specialised technical knowledge
Roberts Evaluation Pty Ltd	Performance audit	149, 000	FTE is not used as the basis for measuring these services.	Audit required specialised technical knowledge
Coffey Hunt & Co	Financial Audit	448, 000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone. .
Deloitte Touche Tohmatsu	Financial Audit	644,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
WHK Horwath (Vic) (previously WHK Day Neilson)	Financial Audit	950,000	N/A	Internal available resources are insufficient to deliver required annual mandate
DFK Collins	Financial Audit	539,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance.

				Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
Ernst & Young	Financial Audit	1.214M	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
HLB Mann Judd (Vic) Pty Ltd	Financial Audit	1.284M	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
Johnsons MME	Financial Audit	210,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
KPMG	Financial Audit	274,000	FTE is not used as the basis for measuring	Using outsourced audit providers can achieve value for money where audits are

			these services.	regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
Mclean Delmo Hall Chadwick	Financial Audit	281,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
Richmond Sinnott&Delahanty	Financial Audit	731,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
RSM Bird Cameron	Financial Audit	1.233M	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone

UHY Haines Norton (Vic) Pty Ltd	Financial Audit	643,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
WHK Audit (Vic) (previously WHK ArmitageDownie Pty Ltd)	Financial Audit	428,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
WHK Audit & Risk (Vic) (previously KPMG)	Financial Audit	238,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone

****Contractors/contract staff in 2010-11:**

Please note: It is not possible to report on the six-month periods specified; data is available for the whole financial year only.

** The following has been outsourced to audit service providers (ASPs) – FTE size depends on size of audit engagement.

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months**	Reasons why a VPS employee or equivalent could not undertake the work
AuctionomicsInc	Performance audit	166,000	FTE is not used as the basis for measuring these services.	Audit required specialised technical knowledge
Ernst & Young	Performance audit	170,000	FTE is not used as the basis for measuring these services.	Audit required specialised technical knowledge
The Allen Consulting Group	Performance audit	122,000	FTE is not used as the basis for measuring these services.	Audit required specialised technical knowledge
University of Melbourne	Performance audit	148,000	FTE is not used as the basis for measuring these services.	Audit required specialised technical knowledge
Coffey Hunt & Co	Financial Audit	513,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
Crowe Horwath Melbourne (previously WHK Horwath)	Financial Audit	1.096M		Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-

				house resources alone
Deloitte ToucheTohmastsu	Financial Audit	722,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
DFK Collins	Financial Audit	369,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
Ernst & Young	Financial Audit	1.035M	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting

				timelines could not be achieved using in-house resources alone
HLB Mann Judd (Vic) Pty Ltd	Financial Audit	1.905M	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
Johnsons MME	Financial Audit	243,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
KPMG	Financial Audit	342,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within

				statutory reporting timelines could not be achieved using in-house resources alone
LD Assurance	Financial Audit	137,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
Mclean Delmo	Financial Audit	307,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
Richmond Sinnott&Delahunty	Financial Audit	709,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The

				delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
RSM Bird Cameron	Financial Audit	1.129M	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
UHY Haines Norton (Vic) Pty Ltd	Financial Audit	478,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
WHK Audit & Risk Assessment	Financial Audit	254,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits

				internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone
WHK Audit (Vic)	Financial Audit	495,000	FTE is not used as the basis for measuring these services.	Using outsourced audit providers can achieve value for money where audits are regional, rural, require specific technical skill or short term assistance. Labour market factors also limit VAGO's capacity to resource all financial audits internally. The delivery of required audit opinions within statutory reporting timelines could not be achieved using in-house resources alone

Question 34

- (a) For what roles within your organisation were consultants used in 2009-10 and 2010-11 (refer to Explanatory Memorandum for definition of consultants)?

VAGO response:

In 2010-11 VAGO engaged consultants on 35 projects during the year, costing \$205 509, none of which exceeded \$100 000.

In 2009-10 VAGO engaged consultants on 17 projects during the year, costing \$570 788, two of which exceeded \$100 000.

- (b) Please itemise the services delivered by consultants in 2009-10 and 2010-11:

Consultants in 2009-10:

Service category	Number of consultants	Value of services (\$)
Organisational Development	4	\$140,000
Process Mapping	3	\$174,000
Internal Quality Review	3	\$19,048
Human Resource Information System Implementation	2	\$103,000
Internal Audit Services	2	\$120,000

Research	1	\$13,200
IT System Upgrade	1	\$1400.
Project Management	1	\$140

Consultants from 1 July to 31 December 2010:

Service category	Number of consultants	Value of services (\$)
Organisational Development	4	\$8,500
Expert Services	4	\$32,495
Project Management	2	\$13,500
Research	2	\$12,600
Process Mapping	2	\$17,200
Internal Quality Review	2	\$5,000
Audit Committee	1	\$3,700
Editorial Services	1	\$1,700
Legal Services	1	\$1,574
Sector Scanning	1	\$6,000
Transcription Services	1	\$740.

Consultants from 1 January to 30 June 2011:

Service category	Number of consultants	Value of services (\$)
Editorial Services	5	\$15,600
Expert Services	4	\$21,400
Internal Quality Review	4	\$10,800
Internal Audit	3	\$31,200
Audit Committee	3	\$13,800
Project Management	1	\$8,000
Transcription Services	1	\$1,700

- (c) For each specific consultant paid in excess of \$100,000 per annum that has been engaged by your organisation during 2009-10 or 2010-11, please supply the following details:

Consultants in 2009-10:

Supplier	Purpose	Value of services (\$)	Number of consultants (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Oakton services Pty Ltd	Targeted review of VAGO	120,000	0	Independent review required.
Alma Talic	Develop change program to support organisational alignment	108,069	0	In-house skills were not available.

Consultants from 1 July to 31 December 2010: N/A

Consultants from 1 January to 30 June 2011: N/A

Question 35

- (a) Please breakdown the staff turnover ratio (total left (including Fixed Term & Casual staff) employment during the year expressed as a percentage of total headcount) for your organisation during 2008-09, 2009-10 and 2010-11 according to the following age brackets:

	2008-09	2009-10	2010-11
Less than 30 years old	9.15%	8.9%	11.56%
30-54 years old	14.37%	7.77%	14.45%
55 years or older	1.96%	0.55%	2.89%
Total	25.49%	17.22%	28.9%

- (b) Please describe the factors contributing to any variations greater than ± 10 per cent from one year to the next.

VAGO response: In 2010-2011, VAGO experienced an increase in the numbers of staff departing. This can partly be attributed to the lessening effects of the global financial crisis, with more staff pursuing careers in the private sector.

- (c) Please describe any strategies that are planned to be introduced to retain staff, reduce the level of voluntary staff turnover and reduce the likelihood that critical roles will become vacant in future?

VAGO response: Review organisational values, increase employees' understanding of organisational expectations and how employees work aligns with VAGO goals. Longer term HR planning (succession planning, career development); targeted L&D program; developing stronger coaching and learning for staff in leadership positions, reviewing, Health and Wellbeing Program.

Question 36

The State Services Authority (*The State of the Public Sector in Victoria 2008-09, Chapter 4*) has identified collaboration, agility and innovation as important to the future of the Victorian public sector. Please detail any initiatives undertaken by your organisation in 2009-10 or in 2010-11 prior to the change of government that have been designed to enhance these three qualities and what outcomes have been achieved by these initiatives:

	Initiative	Outcomes
Collaboration	Contributing to inquiries and reviews, for example Public Sector Standards Commission's Review of Victoria's Integrity and Anti-Corruption system; Essential Services Commission's review of Performance Reporting Framework for Local Government.	Collaboration with integrity and review bodies drove public sector improvement and developed collaboration and consultation skills in senior staff.
Agility	Building organisational and leadership capability supported by organisational values and vision.	Strategic Alignment plan, supporting the people and organisation key result areas in the five year strategic plan.
Innovation	Developing secondments between interstate and international Audit Offices, increasing career development opportunities and professional development.	Share knowledge between the two agencies; provide opportunities for professional development for individuals with potential for accelerated learning.

Please also supply details of initiatives designed to enhance these three qualities undertaken since the change of government in November 2010:

	Initiative	Outcomes
Collaboration	Investigation into ICT Enabled Projects conducted by Ombudsman Victoria in consultation with the Victorian Auditor-General. Worked with other Australian audit offices to develop Australia's first national collaborative audit. Contributing to inquiries and reviews, for example <i>Independent Review of State Finances</i> , Department of Treasury and Finance.	Working closely with other audit, integrity and review bodies allowed exchange of good practice and professional development. Collaboration with integrity and review bodies drove public sector improvement and developed collaboration and consultation skills in senior staff.
Agility	Further development of VAGO's Learning and Development framework to better foster VAGO's culture and provide training and development opportunities.	Revised framework supports the organisations core capabilities, including programs such as building team effectiveness and resilience training
Innovation	Staff Consultation and	Development of staff 'think tank' enabling staff a forum to discuss

	Development Group contributing to improving organisational effectiveness and providing a stimulating and rewarding workplace.	'ideas', including outside speakers to stimulate discussion.
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Question 37

Please complete the following tables showing number of executive staff and total value of bonuses paid in the 2009-10 and 2010-11 performance periods:

Bonuses in 2009-10:

Executive category	Number of staff (FTE)			Total value of bonuses paid (\$)
	Eligible for a performance bonus	Not awarded bonus payment	Awarded bonus payment	
Secretary or CEO, EO1 – Deputy ^(a)	1	1		0
EO2 ^(a)	4	1	3	\$57,945
EO3	17	8	9	\$77,872
Other Executives	N/A	N/A	N/A	N/A

Note (a): Combine categories to preserve confidentiality where necessary

Bonuses in 2010-11:

Executive category	Number of staff (FTE)			Total value of bonuses paid (\$)
	Eligible for a performance bonus	Not awarded bonus payment	Awarded bonus payment	
Secretary or CEO, EO1 – Deputy ^(a)	1	1		N/A
EO2 ^(a)	5	1	4	\$75,935
EO3	14	6	8	\$65,113
Other Executives	N/A	N/A	N/A	N/A

Note (a): Combine categories to preserve confidentiality where necessary

Question 38

In the following table, please show for your organisation the actual range of bonuses paid (expressed as a percentage of total remuneration).

Rating	Proportion of total remuneration package actually paid (expressed as a range from x% to y%)	
	2009-10	2010-11
Exceptional	(12.5%)	(10%)
Superior	(4%-8%)	(3%-8%)
Competent	(0%)	(0%)
Improvement required	(0%)	(0%)

The above format is based on the Executive Employment Handbook. If your organisation adopted another approach for awarding bonuses, please provide details.

SECTION F: Program outcomes

Outcomes reflect the impact on the community of the goods and services provided by a department. The questions in this section all relate to the outcomes that the Victorian Auditor-General's Office contributed to in 2009-10 and 2010-11.

Question 39

For each of the following *Growing Victoria Together* outcomes for which the Victorian Auditor-General's Office had partial or full responsibility, please indicate what was achieved by 26 November 2010 for each of the established measures:

VAGO response: VAGO had no responsibility for GVT outcomes.

Question 40

- (a) Using the format of the table below, please outline the five most important outcomes achieved by your organisation's programs/activities between 27 November 2010 and 30 June 2011 (where your organisation has been the key player) including:
- (i) what was planned;
 - (ii) what was achieved;
 - (iii) quantitative or qualitative data to demonstrate this achievement;
 - (iv) any other Victorian public sector organisations or agencies from other jurisdictions that have worked across organisational boundaries to contribute to this outcome; and
 - (v) the relationship of these outcomes to any government strategies or goals.

Planned outcome to be achieved	Description of actual outcome achieved	Quantitative or qualitative data to demonstrate outcome*	Other agencies involved	Relationship to major government strategy
1. Being authoritative and relevant by:	Authoritative audits met or exceeded professional standards and quality frameworks.	<ul style="list-style-type: none"> - Peer reviews conducted in line with professional standards and national quality framework found all sampled audits were conducted in accordance with audit policies Australian Auditing and Assurance Standards and legislation. - Score of 80 per cent on independent assessment of a selection of performance audit reports assessed against criteria agreed by the Australian audit offices that participated. 	N/A	N/A

<ul style="list-style-type: none"> • better targeting topics 	<p>Audit topics were better targeted to areas of public interest</p>	<ul style="list-style-type: none"> - Expanded Annual Planning consultations including stakeholder summits which included regulators, practitioners, community organisations, people involved in direct service delivery and recipients of government programs and initiatives. - Increased engagement with secretaries, senior management of departments and departmental audit committees in discussions about the proposed multi-year program. 	<p>N/A</p>	<p>N/A</p>
<ul style="list-style-type: none"> • direct audit effort to areas of public value 	<p>Value of audits recognised by Parliamentary, community and client stakeholders</p>	<ul style="list-style-type: none"> - 98 per cent of Parliamentarians surveyed satisfied with our reports and services, compared to 92 per cent in 2009-10, above our target of 85 per cent. - Significant increase in inquiries from the public - Majority of audit clients rated value of audit reports positively (72.7 per cent for financial audit, 64.9 per cent for performance audit) - 87 per cent of audit recommendations from prior year were fully accepted 	<p>N/A</p>	<p>N/A</p>
<ul style="list-style-type: none"> • promoting broader access to reports 	<p>Greater access and use of audit reports</p>	<ul style="list-style-type: none"> - Trend of increasing number of unique visitors to the website has continued with a 14 per cent increase in unique visits in 2010 compared to 2009 (calendar year data). - 54 per cent increase in the total number of audit-related references in Parliament from 112 in 2009-10 to 172 in 2010-11 - Audit reports promoted through 19 high level conferences and public addresses and three national parliamentary inquiries 	<p>N/A</p>	<p>N/A</p>
<p>2. Being highly regarded by</p>	<p>Tabling of audits has been</p>	<p>- In 2010-10, half the program was tabled in the</p>	<p>N/A</p>	<p>N/A</p>

<p>Parliament by:</p> <ul style="list-style-type: none"> smoothing the flow of reports better engage Parliamentary committees and individual Parliamentarians 	<p>smoothed across the tabling dates</p> <p>Stronger relationships with Committee staff informed our audit program and encouraged transfer of good practice through secondments.</p> <p>Parliamentarians rated the responsiveness of the Office highly</p> <p>Parliamentarians and PAEC input considered in Annual Plan</p> <p>Participated in Parliament of Victoria induction program for new Members</p>	<p>first half of the year and half in the second. Improvement from 2009-10 when no reports were tabled between July and October.</p> <ul style="list-style-type: none"> Improved smoothing may have made reports more accessible to Members. Only 1 report was not mentioned in Parliamentary debate in January – June 2011, compared to 9 reports for the six months prior. 2 Committee staff seconded to VAGO Commenced regular information sessions for senior staff of the joint investigatory committees of Parliament to highlight audits in their areas of interest. These sessions were well attended and received positive feedback. 100 per cent of respondents who had dealings with VAGO in the preceding 12 months rated the responsiveness of the Auditor-General or his office as good or very good. Two request audits undertaken following request from Parliamentarians, compared to one in the previous year Annual Plan process included extensive consultation with PAEC in accordance with the <i>Audit Act 1994</i> <p>In 2010-11 the Auditor-General provided 14 Ministers and 11 Shadow Ministers briefings on their portfolios at the inception of the 57th Parliament.</p>	N/A	N/A
3. Fostering productive relationships with audit clients	Clients had a strong understand of audit process	- 94 per cent of financial audit clients surveyed reported that they were sufficiently consulted about	N/A	N/A

<p>by:</p> <ul style="list-style-type: none"> appropriately informing about audit plans, processes and activities fostering professional relationships 	<p>and approach</p> <p>Positive progress in more challenging relationships.</p>	<p>the audit strategy and key milestones for the audit</p> <ul style="list-style-type: none"> - 80 per cent of performance audit clients surveyed reported that they received a clear explanation of the audit approach - VAGO's expanded Stakeholder Engagement Program has doubled the frequency of formal contact with Secretaries since 2009 - Overall fall in average delays accessing information during performance audits - Engaging earlier and more frequently during audits 	<p>N/A</p>	<p>N/A</p>
<p>4. Fostering a stimulating work environment by:</p> <ul style="list-style-type: none"> rigorous performance planning and management supporting a safe and healthy workplace 	<p>Strong investment in staff development to support high performance</p> <p>Stronger employee satisfaction in the workplace</p>	<ul style="list-style-type: none"> - Average of 51 hours of training 2010-11 per VAGO employee versus 23 hours per year for comparator independent review body - 91 per cent of VAGO staff attended training in 2010-11 versus 83 per cent of Australian public servants in 2009-10 - New Performance Development Plans introduced to better align performance plans with business targets - 87 per cent of staff survey questions improved from the previous year 	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>
<p>5. Leverage our systems and processes to improve organisational performance by:</p>	<p>Improved organisational performance allowed gains in timeliness and continued strong performance on cost</p>	<ul style="list-style-type: none"> - 90 per cent of reports were tabled on time, an improvement on 2009-10 - 94 per cent of financial audit opinions were issued within three months, continuing the upward 	<p>N/A</p>	<p>N/A</p>

<ul style="list-style-type: none"> • aligning systems and processes • investing in capability for long term sustainability • being a responsible corporate citizen 	<p>comparisons.</p> <p>Strengthened VAGO's governance and quality systems through implementation of the ACAG Governance and Audit Framework.</p> <p>Addressed all recommendations from triennial performance audit</p> <p>Environmental ratings retained</p> <p>Continued emphasis on international assistance and knowledge transfer</p>	<p>trend over the last three years and significantly better than national averages</p> <ul style="list-style-type: none"> - Average cost per financial and performance audits was significantly lower than comparable Australian audit offices. - Self-assessment using the Framework gained positive response from external performance auditors - All recommendations addressed by 30 June 2011 - 4 star green rating retained - Hosted secondments and delegations from Indonesia, Uganda, China, Vietnam, Samoa, Bangladesh. - Knowledge transfer secondment to Tonga. - Developed long-term partnership proposal with Tonga Audit Office for consideration by AusAID. Secondment exchange with British Columbia 	<p>N/A</p>	<p>N/A</p>
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* Please note quantitative data reported is for the full year period 2010-11 (unless otherwise indicated), as the collecting period. Data for the period 27 November 2010 to 30 June 2011 is not available.

(b) Please also identify any significant program outcomes that were planned but not achieved between 27 November 2010 and 30 June 2011 and the underlying reasons.

Outcome not achieved	Explanation
Fostering productive relationships with audit clients – partially delivered. Audit client feedback demonstrated a drop in some clients' perception of the quality and value of performance audit process and reports.	Whilst overall ratings remained largely positive and there was improvement in several challenging relationships, some audit relationships have remained resistant to consultative approaches. VAGO will continue its strong commitment to engagement and high standards of professional practice, however, given the nature of the external audit process, tensions in some relationships are inevitable.

Question 41

This question does not apply to the Victorian Auditor-General's Office.

SECTION G: Adapting to the change of government

Question 42

- (a) Were any planned organisational priorities changed during 2010-11 as a result of the change of government in 2010? If so, please specify.

VAGO response:

- The 2010-11 VAGO Business Plan identified engagement with the new Parliament as a priority.
- In anticipation of the shortened reporting period for 2010-11 due to the expiration of the 56th Parliament, VAGO planned to deliver Interim Reports prior to October 2010 and an additional Acquittal Report in February 2011, bringing the quantity of reports on financial results to 6 for 2010-11 compared to 5 in the prior and subsequent years.

- (b) Were any corporate plans or similar documents modified in 2010-11 as a result of the change of government in 2010? If so, please specify.

VAGO response: VAGO's Audit Practice Statement was modified to remove reference to the previous government's Growing Victoria Together policy.

Question 43

Please detail the impact on your organisation of any machinery-of-government changes following the change of government in 2010, including:

- (a) how your organisation adapted;
- (b) any disruptions to program or project delivery; and
- (c) any improvements to program or project delivery that have been enabled as a result of the change.

VAGO response:

Machinery-of-government change	Adaptations in response	Disruptions to program/project delivery	Improvements to program/project delivery
A number of new programs and priorities were announced	Included as part of normal annual review of the Annual Plan	n/a	n/a
Administrative changes including responsibilities for programs	Included as part of normal annual review of the Annual Plan. Considered as part of audit scoping.	n/a	n/a

Question 44

Please detail any new processes that were introduced into your organisation following the change of government in 2010 for monitoring or managing expenditure on output or asset projects/programs:

VAGO response: No applicable new processes were introduced

Question 45

For each program and project (delivering either outputs or assets) which was curtailed, deferred or discontinued in 2010-11 following the change of government in 2010, please provide the following details:

- (a) the name of the program/project;
- (b) whether it delivered outputs (i.e. goods and services) or assets;
- (c) the budgeted and actual expenditure in 2010-11; and
- (d) the reasons for which the program/project was curtailed, deferred or discontinued.

VAGO response: No curtailment, deferral or discontinuation.

Question 46

For each program and project (delivering either outputs or assets) which was introduced in 2010-11 following the change of government in 2010 which had not been planned prior to the change of government, please provide the following details:

- (a) the name of the program/project;
- (b) whether it delivered outputs (i.e. goods and services) or assets;
- (c) the budgeted and actual expenditure in 2010-11; and
- (d) the reasons for which the program/project was introduced.

VAGO response: No such programs

Contact Details

Organisation: Victorian Auditor General's Office

Contact Officer: Marco Bini

Position: Director, Policy and Coordination

Contact numbers: Telephone: 8601 7061

E-mail: marco.bini@audit.vic.gov.au

The completed questionnaire must be returned by no later than COB, 2 December 2011.

Please return the response (including an electronic version) of the questionnaire to:

Valerie Cheong
Executive Officer
Public Accounts and Estimates Committee
Level 3, 55 St Andrews Place
EAST MELBOURNE VIC 3002

Telephone: 03 8682 2867
Fax: 03 8682 2898
Email: paec@parliament.vic.gov.au

For inquiries on this questionnaire, please contact the Executive Officer or:

Christopher Gribbin
Senior Research Officer
03 8682 2865

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03 8682 2861