

VAGO

Victorian Auditor-General's Office

Auditing in the Public Interest

Annual Plan 2008–09

Prepared pursuant to the
requirements of section 7A of the *Audit Act 1994*

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Introduction

I am pleased to transmit to Parliament my annual plan for 2008–09. This plan outlines the proposed work program of the Victorian Auditor-General's Office (the Office) and resource requirements for the coming financial year. It has been prepared under the provisions of section 7A of the *Audit Act 1994*.

Following on from the approach to the *2007–08 annual plan*, a four-year prospective program of areas of performance audit interest has again been outlined. This focuses on specific programs and initiatives, and is tested against the principles of effectiveness, economy and efficiency, and compliance with relevant legislation. The audit program builds on last year's annual plan and provides stakeholders with an indication of the Office's intended focus over the next four years.

The prospective performance audit program was revised in consultation with the Public Accounts and Estimates Committee (PAEC) and other stakeholders to ensure the program remains relevant.

I am confident that the work program to be undertaken by my Office in 2008–09 will appropriately monitor the use of Victoria's public sector resources. Notwithstanding, I retain the discretion to respond to emerging and unforeseen issues, and to report as appropriate to Parliament.

My Office's performance in delivering this annual plan will be acquitted in our *2008–09 annual report*.



D D R PEARSON
Auditor-General

7 May 2008

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1

Our mandate and outputs

1.1 Our mandate

Key legislation

The role of the Auditor-General is governed by two pieces of legislation, the *Constitution Act 1975* and the *Audit Act 1994*.

The *Constitution Act* outlines the provisions regarding the appointment, independence and tenure of the Auditor-General, Parliament's independent auditor of Victorian public sector agencies. As an officer of Parliament, the Auditor-General fulfils an important constitutional safeguard with the legislative mandate to assess the administrative and financial performance of public sector agencies.

The *Audit Act* governs the means by which the Auditor-General and his Office are to undertake attest and performance audits and report to Parliament.

These two Acts are complemented by other legislation. The *Financial Management Act 1994* requires responsible Ministers to annually provide to Parliament audited financial and performance statements (where applicable) of agencies within their portfolios. The *Local Government Act 1989* requires local governments to prepare an annual report containing audited financial and performance statements.

Audit activity

Under the *Audit Act*, the Auditor-General must undertake audits of financial statements prepared by Victorian public sector agencies and local governments, and issue audit reports outlining their compliance with relevant accounting standards and legislation. The Auditor-General must also provide an audit report on the Annual Financial Report of the State of Victoria and review the government's Estimated Financial Statements, prepared as part of the annual State Budget.

The entities audited by the Auditor-General include government departments and agencies, public hospitals and ambulance services, universities and other educational institutions, water authorities, public sector superannuation funds, as well as companies, trusts and joint ventures that are controlled by public sector agencies. The Auditor-General also has responsibility for auditing the local government sector.

Combined, these entities collect income of approximately \$51 billion, incur about \$45 billion in expenditure and hold in excess of \$185 billion in assets.

Our mandate and outputs

The Auditor-General also audits non-financial performance indicators contained in the report of operations of local government, certain water bodies, and technical and further education institutes to determine whether they present fairly the agencies' performance.

A further key requirement under the Audit Act is that, when conducting an audit, the Auditor-General is to have regard to whether there has been any wastage of public resources or any lack of probity or financial prudence in the management or application of public resources. The scope of audits undertaken by the Auditor-General extend beyond the traditional financial audit role undertaken by auditors in the private sector.

The Auditor-General also has the authority to undertake performance audits to determine whether public sector agencies use public resources, including those provided to non-government bodies, effectively, economically and efficiently, and in compliance with all relevant Acts.

The results of audits conducted by the Auditor-General are reported to Parliament for its consideration.

Our deliverables

Under Victoria's budget system, the level of resources allocated each year to the Office through the State's Annual Budget process is determined on the basis of the outputs we aim to deliver. Under this framework, our performance is based on two outputs, namely:

- Output 1: Parliamentary reports and services
- Output 2: Audit reports on financial statements.

1.2 Output 1: Parliamentary reports and services

Our reporting products

Through our reports we inform Parliament, our primary client, about the results of our work. These reports provide Parliament with independent assurance on the adequacy of accountability and resource management practices in the public sector. Each year we report to Parliament on matters arising from:

- our program of performance audits, addressing issues of effectiveness, efficiency and economy in the management of public resources. Our performance audits are conducted based on the methodology outlined in our electronic performance audit toolset, audit method-performance, which complies with the Audit Act and relevant Australian Auditing Standards
- our analysis and examination of the Estimated Financial Statements and Annual Financial Report of the State of Victoria
- the results of annual audits of public sector agencies' financial and performance statements, including the local government sector.

Other services we provide to Parliament

We complement our reports by providing a range of other services to Parliament. These services foster enhanced accountability and performance, while promoting better practice resource management in the public sector.

They include:

- advice and assistance to Parliament, including submissions to Parliamentary committees on matters relevant to their inquiries
- responding to inquiries from Members of Parliament, government agencies and the public, which sometimes leads to the conduct of audits
- advice to central agencies and other public sector agencies, in such areas as draft legislation, financial management proposals, and the development of accountability frameworks
- guidance to public sector agencies, arising from our audit work, in specific areas of governance, management and accountability to support their improved future performance
- advice to external bodies on emerging developments associated with the public sector, including commentary on draft accounting and auditing pronouncements
- liaison with international delegations and interstate organisations.

In providing this range of services, we seek to use the skills and experience of our Office to encourage sustained improvement in the management of public resources.

Performance measures

Figure 1A outlines the performance measures for which we will be accountable for in 2008–09 as part of our delivery of the Parliamentary reports and services output.

Figure 1A
Output 1: Parliamentary reports and services

Performance measures	Unit of measure	2008–09 target	2007–08 expected outcome	2007–08 target	2006–07 actual
Quantity					
Auditor-General's reports ^(a)	(number)	31^(b)	33	16 (31) ^(c)	16
Quality					
Overall level of external satisfaction with audits ^(d)	(per cent)	-	80	80	71
Overall level of external satisfaction with audits ^(d)	(score)	80	-	-	-
Timeliness					
Inquiries from members of Parliament and the public responded to within 28 days ^(e)	(per cent)	95	95	95	85
Reports completed on time	(per cent)	90	90	90	81
Cost					
Total output cost	(\$million)	12.2	12.8	12.5	11.6

Note:

- (a) This performance measure replaces the 2007–08 performance measure 'Major audit reports'. The 2008–09 performance measure is the same as the 2007–08 measure except for a change in description, and measures the exact same activity as per the performance measure in 2007–08.
- (b) The target for the performance measure 'Auditor-General's reports' has increased from 16 to 31 between 2007–08 and 2008–09. This reflects a change in approach to tabling reports, whereby single compendium reports will now be published as a series of discrete reports.
- (c) Given (b), the target of 16 in 2007–08 equates to a target of 31.
- (d) This performance measure replaces the 2007–08 performance measure 'Overall level of external satisfaction with audits'. The data collection methodology for the performance measure has changed from the frequency of responses to a subset of questions in a self-administered survey, to an index comprising an average response across all questions in an independent survey. Accordingly, the unit of measure has changed from a percentage to a score, or rating, out of 100.
- (e) This performance measure replaces the 2007–08 performance measure 'Inquiries from Members of Parliament and the public acknowledged within seven days and responded to within four weeks'.

Source: 2008–09 Budget papers

1.3 Output 2: Audit reports on financial statements

Key attest functions

The main products under this output are the:

- provision of audit opinions on the financial statements of public sector agencies and on the Annual Financial Report of the State of Victoria
- furnishing of audit reports on non-financial performance indicators prepared by local government, certain water bodies, and technical and further education institutes
- preparation of an independent review report on the state's Estimated Financial Statements for inclusion in the annual budget papers
- issuing of management letters to audited agencies conveying the findings of audits
- certification of warrants authorising the expenditure of public funds by government.

While our audit reports expressed on financial statements and non-financial performance indicators are issued in the first instance to Ministers and audited agencies, their ultimate purpose is to provide independent assurance to Parliament on the quality and reliability of financial and, in some cases, other data that agencies include in their annual reports.

In 2008–09, the Auditor-General will have responsibility for the audit of 625 financial statements and 115 non-financial performance statements (653 financial statements and 113 non-financial performance statements in 2007–08).

Our approach to attest audits

Our approach to undertaking attest audits has been integrated into our electronic audit toolset, known as integrated public sector audit methodology (IPSAM), which was co-developed with the Queensland Audit Office and is designed to enable us to reliably and consistently form audit opinions on agencies' financial statements and performance statements. IPSAM complies with the Audit Act and relevant Australian Auditing standards.

When undertaking an attest audit, we gain an understanding of significant financial reporting and financial management risks facing agencies. The adequacy of the internal control structures in place to deal with these risks is also examined as part of the financial audit process.

Resourcing attest audits

It is established practice to use a combination of in-house resources and contracted external audit service providers in the conduct of financial statement audits. This practice enables us to maintain a representative audit presence and capability across all designated risk categories and geographical areas of the state. In 2008–09, we plan to use in-house resources for about 30 per cent of the audits, which account for approximately 50 per cent of overall audit activity in the Victorian public sector.

Our policy of rotating the external audit service providers engaged for each audit agency every five years will continue to be applied during 2008–09. This approach supports the maintenance of audit independence, and ensures the application of a fresh and objective perspective of external audit service providers to the audit task.

Examination and certification by the Auditor-General of warrants authorising the expenditure of public funds by government

The preparation of warrants in Victoria is required under the provisions of the Constitution Act and the Financial Management Act. Warrants provide the constitutional authority for the government to spend the funding allocated in the annual budget and must be signed by the Auditor-General and approved by the Governor. Warrants examined and certified by the Auditor-General during 2007–08 had an aggregate expenditure value of more than \$32.9 billion as at 24 April 2008 (\$31.6 billion in 2006–07).

Performance measures

The following table outlines the performance measures for which we will be held to account for in 2008–09 as part of our delivery of the audit reports on financial statements output.

Figure 1B
Output 2: Audit reports on financial statements

Performance measures	Unit of measure	2008–09 target	2007–08 expected outcome	2007–08 target	2006–07 actual
Quantity					
Audit opinions issued on non-financial performance indicators	(number)	115	113	113	113
Audit opinions issued on the financial statements of agencies	(number)	625	653	657	617
Quality					
Overall level of external satisfaction with audits ^(a)	(per cent)	-	85	80	73
Overall level of external satisfaction with audits ^(a)	(score)	80	-	-	-
Timeliness					
Audit opinions issued within statutory deadlines	(per cent)	98	98	100	98
Management letters and reports to Ministers issued within established timeframes	(per cent)	90	88	90	79
Cost					
Total output cost	(\$million)	15.6	17.3	17.3	15.4

Notes:

a) This performance measure replaces the 2007–08 performance measure 'Overall level of external satisfaction with audits'. The data collection methodology for the performance measure has changed from the frequency of responses to a subset of questions in a self-administered survey, to an index comprising an average response across all questions in an independent survey. Accordingly, the unit of measure has changed from a percentage to a score, or rating, out of 100.

Source: 2008–09 Budget papers

2

Areas of performance audit interest

2.1 Selection

The selection of areas of audit interest for performance audits takes place within a framework that measures public sector performance against the government's *Growing Victoria Together* (GVT) visions and goals. These visions and goals represent the government's framework for priority-setting, including legislation and spending decisions to 2010 and beyond.

Figure 2A provides an overview of our performance audit topic selection framework which is described further below.

Figure 2A
Performance audit topic selection framework

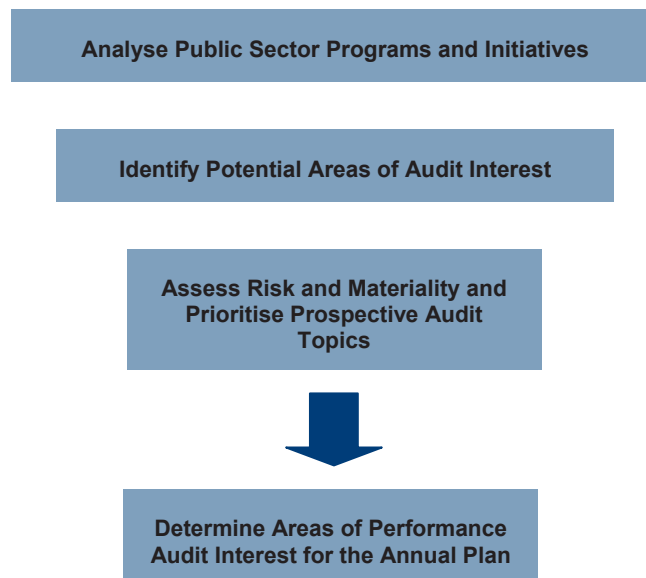
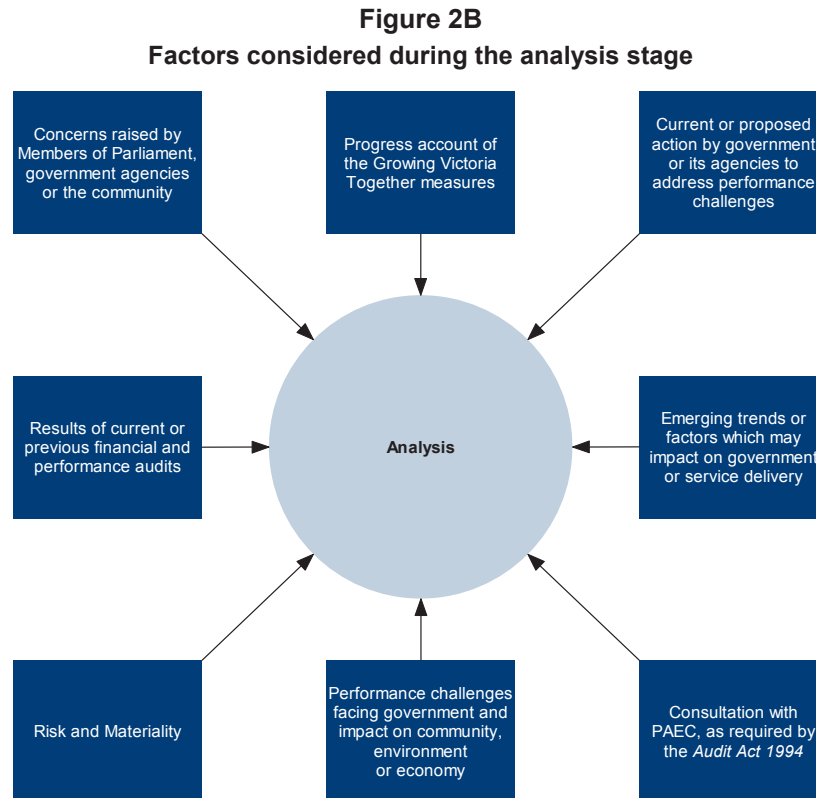


Figure 2B is an overview of factors taken into account during the analysis of public sector programs and initiatives.



The analysis focuses on emerging trends, inherent risks and challenges that could influence the achievement of the established visions and goals. The inherent risks include constraints to the efficient and economic allocation of resources, the effective achievement of objectives, and compliance with relevant legislation. We identify initiatives and programs with significant inherent risks, underperformance issues, not meeting community expectations or where there is strong public interest. These are identified as potential areas of audit interest.

The potential areas of audit interest are then subjected to a risk and materiality assessment. The risk assessment considers the potential impact on the community in terms of economic, social and environmental sustainability, categorising them into five risk categories, ranging from 'negligible' to 'catastrophic'.

Based on the risk and materiality assessment, prospective audit topics are prioritised and areas of performance audit interest for the annual plan are determined.

For each prospective area of audit interest, the final audit approach will be determined based on detailed planning by our Office, a process requiring consultation with the PAEC and the relevant agencies.

The Auditor-General also retains the discretion to respond to emerging and unforeseen issues and to report on these to Parliament.

2.2 Areas of performance audit interest, 2008–09

The proposed areas of performance audit interest for 2008–09 and the GVT visions and related goals are:

- **Thriving economy**
 - more quality jobs and thriving innovative industries across Victoria
 - growing and linking all of Victoria.
- **Quality health and education**
 - high quality accessible health and community services
 - high quality education and training for lifelong learning.
- **Healthy environment**
 - protecting the environment for future generations
 - efficient use of natural resources.
- **Caring communities**
 - building friendly, confident and safe communities
 - a fairer society that reduces disadvantage and respects diversity.
- **Vibrant democracy**
 - greater public participation and more accountable government
 - sound financial management.

The proposed performance audits encompass two levels of coverage:

- audits with a *broad scope* of review of effectiveness, economy and efficiency
- audits with a *limited scope* of review focussing on aspects of effectiveness, economy and efficiency
- Consideration is also given to wastage, probity and financial prudence in all audits undertaken.

Changes to the prospective audit program

The prospective areas of performance audit interest are not static, they are subject to review and analysis annually. Consequently changes in the program arise, resulting primarily from:

- identification of higher priority topics
- variations in the timing of program or initiatives that have implications for audit timing
- reviews undertaken by other agencies.

2.2.1 Performance audits relating to a *Thriving* economy

Growing Victoria Together visions:

Thriving economy > Quality health and education > Healthy environment > Caring communities > Vibrant democracy

Thriving economy

More quality jobs and thriving innovative industries across Victoria

- Improved living standards and opportunities for all Victorians will be built on a thriving and adaptive industry base that creates rewarding jobs.

Growing and linking all of Victoria

- Population growth underpins economic growth, sustains regional revitalisation, and further strengthens the diversity that is the heart of Victoria. Transport and communications infrastructure links people and businesses across Victoria – and links the regions to Melbourne and the world.



Areas of performance audit interest

Broad scope

- Effectiveness of drought-assistance measures
- Port of Melbourne channel deepening project
- Privately provided public bus services

Limited scope

- Enforcement of planning permits

Background to performance audits

Effectiveness of drought-assistance measures

Agriculture plays an important role in Victoria's economy, directly employing more than 67 000 people and contributing approximately 2.7 per cent of Victoria's annual gross state product. Victoria is in its tenth year of drought, which has had widespread effects on the agricultural sector and on rural and regional communities. In addition to \$146 million for a package of drought-assistance measures in 2006-07, the state government announced in October 2007 a further \$100 million in assistance programs to help rural communities. Drought assistance includes water rebates, productivity improvement grants, financial and personal counselling, employment and infrastructure grants, apprenticeship bonuses and advice for councils and businesses in drought-affected areas.

The audit will examine how the drought-assistance funding has been provided (including where it has been directed and how rapidly) and the effectiveness of selected drought-assistance measures.

Port of Melbourne channel deepening project

The Port of Melbourne is Australia's busiest container port, and in 2007 became the first Australian port to handle more than two million containers in a 12-month period. Currently, the maximum draught is 12.1 metres at high tide. This prevents some ships from entering the port fully loaded and will further constrain loads in the future with the trend toward using larger ships to realise cost efficiencies. The \$969 million channel deepening project involves dredging parts of the existing shipping channels in Port Philip Bay to accommodate ships with up to a 14-metre draught. In February 2008, dredging commenced. The project is scheduled for completion in December 2009 and is subject to an environmental management plan with related reporting requirements.

The audit will assess key aspects of the project's development, including its economic basis and business case, the adequacy of the accountability and management of the project, including planning and tendering processes, and procurement arrangements. We will also assess compliance with relevant infrastructure, procurement and environmental rules.

Privately provided public bus services

In 2006–07, the Victorian Government spent more than \$500 million on contracts to provide bus services across Victoria, with \$335 million allocated to more than 300 bus routes serving Melbourne. In that year, metropolitan buses carried 85 million passengers, representing 20 per cent of all public transport use in Melbourne. With the stated goal of improving the convenience, frequency and patronage of public transport in Melbourne's middle and outer suburbs, the government allocated \$379 million to Melbourne's buses in 2007–08. This coincides with the renegotiation of the metropolitan bus contracts, which is due to take effect in 2008.

The audit will assess the new metropolitan bus contracts by examining the negotiation, operation and oversight of the contracts.

Enforcement of planning permits

Victoria's municipal councils deal with about 50 000 planning applications annually. The *Planning and Environment Act 1987* allows councils to attach conditions to planning permits. Permit applicants are required to comply with the conditions. The Act also provides for a range of enforcement activities, including the issuing of planning infringement notices where it is believed there has been a contravention of the planning scheme, permit condition or agreement. Our 1998 performance audit—*Land use and development in Victoria: the state's planning system*—found that enforcement activities in the majority of the councils examined were exclusively reactive to complaints, and that regular checking of compliance with planning schemes and planning permit conditions was not undertaken.

This audit will examine permit enforcement within selected councils. This will include examining the oversight of compliance with permit conditions and the effectiveness of actions taken to effect compliance.

2.2.2 Performance audits relating to Quality health and education

Growing Victoria Together visions

Thriving economy > **Quality health and education** > Healthy environment > Caring communities > Vibrant democracy

Quality health and education

High quality accessible health and community services

- Health greatly influences our quality of life. High quality health and community services need to be available to all Victorians when they need them to preserve and restore good health.

High quality education and training for lifelong learning

- Education is the key to creating a dynamic, successful community and improving all Victorians' life opportunities. Victoria must be a place where children get the best possible start to their education and where people of all ages are motivated to keep learning.



Areas of performance audit interest

Broad scope

- Patient flow and bed management in public hospitals
- School buildings: planning, maintenance and renewal

Limited scope

- Accreditation of overseas trained doctors
- Achievement of literacy benchmarks in Victoria
- Assessment of outcomes associated with CASES21
- Home and community care services
- International and full fee-paying students
- Management of funds held by schools/school councils (including loans of school cooperatives)
- Royal Children's Hospital redevelopment

Background to performance audits

Patient flow and bed management in public hospitals

With the growth and ageing of the population, demand for acute hospital services continues to increase. At the same time, expectations about the quality, availability and timeliness of public hospital services are rising. To meet the demand for public hospital services, improved patient flow and bed management practices—including admission, allocation and discharge—are being developed around the world. The Department of Human Services (DHS), in collaboration with some Victorian public hospitals, has sought to improve patient flow and bed management.

The audit will assess patient flow and bed management in public hospitals.

School buildings: planning, maintenance and renewal

Victoria's state school assets include approximately 23 000 buildings. The Department of Education and Early Childhood Development (DEECD) is responsible for developing and implementing policies and procedures to manage these assets, and for determining the allocation of funds to schools for the construction of new buildings and for ongoing maintenance. In 2006, the state government committed \$1.9 billion to improve educational facilities, including the rebuilding, renovation or extension of 500 Victorian state schools.

The audit will examine the management of Victorian state school buildings, including asset planning and the implementation of processes to maintain, renew, upgrade, build and decommission buildings.

Accreditation of overseas trained doctors

According to 2006 data from the Medical Practitioners Board, approximately 23 per cent of Victoria's registered doctors were trained overseas. Before they can practice in Victoria, overseas trained doctors require accreditation through the Australian Medical Council or the Australian Specialist Medical College, and registration by a state-based medical practitioners' board. The accreditation process requires applicants to demonstrate medical competency to the standard of their Australian peers. The registration process involves the assessment of qualifications, skills and character.

The audit will examine the registration scheme, including the supervision and management of overseas trained doctors, in maintaining high practicing standards within Victoria's health system.

Achievement of literacy benchmarks in Victoria

Reading ability is a key lifelong skill. Good literacy is a prerequisite for progression through the compulsory years of schooling, and the transition from school to the workforce. Our 2003 performance audit—*Improving literacy standards in government schools*—found there had been little improvement in the literacy of students in Years 3, 5 and 7, as measured by state-wide test averages between 1996 and 2002. The audit also found there had been a small improvement for the lowest performing students at Year 3 in 2002, and at Year 5 between 2000 and 2002.

This audit will examine the progress made by the DEECD in seeking to improve the literacy of government school students.

Assessment of outcomes associated with CASES21

CASES21 is the school administration computer system used by Victorian Government schools. CASES21 was piloted in 2000 and is now used by all 1 600 government schools to support student administration, including student medical information, attendance data and learning achievements. The system is also used for basic timetabling, daily organisation and management information. A financial management module has been rolled out to all government schools and as of 2007, schools have been expected to provide more detailed financial information to their communities.

The audit will examine the implementation of CASES21 and the extent to which expected benefits are being realised.

Home and community care services

Funded by commonwealth, state and local governments and contributions from service recipients, the Home and Community Care program (HACC) is designed to support people whose capacity for independent living is at risk. HACC services include domestic assistance, home maintenance and group activities. Our 2004 performance audit—*Delivery of home and community care services by local government*—made recommendations covering planning and consultation processes, performance management and the coordination of services.

This audit will review the HACC program, including progress against the recommendations of the 2004 audit.

International and full fee-paying students

Universities, TAFEs and secondary schools service full fee-paying international and local students. More than 65 000 international students are presently enrolled at Victorian universities which make up more than 25 per cent of the student population.

The audit will examine the management of the full fee-paying students' business and the associated financial risks. In addition, the audit will examine the compatibility of services to these students within the wider student bodies.

Management of funds held by schools/school councils (including loans of school cooperatives)

School councils play a pivotal role in directing schools and accounting for their performance. There have been a number of reforms to the governance, financial reporting and audit arrangements for schools in recent years.

The audit will assess how selected schools manage funds under their control and the role played by the DEECD in supporting school councils in this area.

Royal Children's Hospital redevelopment

The Royal Children's Hospital is to be redeveloped on parkland next to the current site. It is an \$850 million project under the *Partnerships Victoria* policy. In November 2007, the government announced the private sector partner to design, build, finance and maintain the hospital.

The audit will assess the state's planning and procurement for the Royal Children's Hospital redevelopment project.

2.2.3 Performance audits relating to a *Healthy environment*

Growing Victoria Together visions
Thriving economy > Quality health and education > Healthy environment > Caring communities > Vibrant democracy
Healthy environment <i>Protecting the environment for future generations</i> <ul style="list-style-type: none">• The natural environment sustains every aspect of our lives. We must actively conserve and manage it in order to achieve our social and economic goals. Victoria has magnificent alpine, desert, rainforest, grassland, wetland, marine and coastal environments – all of which are critical for the survival of our precious native plants and animals. We need to preserve these diverse environments for future generations to enjoy. <i>Efficient use of natural resources</i> <ul style="list-style-type: none">• A better quality of life for Victorians now, and in the future, relies on our ability to use our natural resources—such as water, coal, timber and gas— wisely and effectively. Protecting the environment and the long-term health and prosperity of the Victorian community depends on efficient and sustainable use of natural resources.



Areas of performance audit interest
Broad scope <ul style="list-style-type: none">• Bio-security incidents – planning and risk management of livestock diseases• Environmental management in Victorian parks
Limited scope <ul style="list-style-type: none">• <i>Flora and Fauna Guarantee Act 1988</i>• Irrigation efficiency programs

Background to performance audits

Bio-security incidents – planning and risk management of livestock diseases

Victoria has a global reputation for its safe, clean food and related exports. In 2004, the Victorian Government created the Bio-security Victoria unit within the Department of Primary Industries (DPI) with the goal of enhancing Victoria's ability to respond to pest and disease incidents affecting the state's primary industries. Our 2004 performance audit—*Beating the Bugs: Protecting Victoria's economically significant crops from pests and diseases*—examined DPI's management of plant pests and diseases.

The audit will focus on animal diseases and how DPI is managing the risks to Victoria's livestock industry and associated risks to human health and the economy. It will also cover planning, prevention, monitoring and response activities.

Environmental management in Victorian parks

Victoria has more than four million hectares of wilderness, national, state or regional parks and reserves (14 per cent of the state). Most of the parks and reserves were established in the past 30 years and many are recovering from previous land uses, such as forestry, mining and agriculture, and from the impact of animal pests and weeds. The most significant parks and reserves are managed by Parks Victoria under the *National Parks Act 1975*. The *State of the Parks 2000* report highlighted challenges facing many of Victoria's parks, including pests, fragmentation, fires and the protection of threatened species. The 2005–06 State Budget provided \$102 million over six years to improve the management of park ecosystems and infrastructure.

This audit will examine the management of weeds and animal pests in Victoria's national and state parks.

Flora and Fauna Guarantee Act 1988

The Flora and Fauna Guarantee Act establishes a process to identify and list species and ecological communities considered to be under threat, as well as the management of potentially threatening processes. The Act requires the Department of Sustainability and Environment (DSE) to complete an action statement for each species or community as soon as possible after it is listed. The statement sets out the proposed actions required of DSE and other organisations to protect the species or community.

The audit will assess the extent to which the Act has been implemented effectively, including whether organisations are fulfilling their obligations under the Act, and whether there is evidence that the legislation has benefited threatened species and ecological communities.

Irrigation efficiency programs

The current drought and the significant reduction of water held in storage, has provided a very timely reminder of Victoria's vulnerability to water shortages and the need to effectively manage water resources to ensure their availability for future generations. About 80 per cent of Victoria's water resources are used for agricultural production. Capacities exist for improvement in the efficiency of water use both on-farm and in our water supply systems. Water saved through efficiency gains can be used to expand agricultural production and improve environmental flow regimes.

The government's 2004 policy—*Our Water Our Future*—set out 110 new initiatives and an extra \$225 million over four years for water conservation, aimed at every section in the community, including irrigators. The policy aims to contribute to improving the efficiency of Victorian irrigation systems by 25 per cent by 2020. In June 2007, the government released the next stage of the policy, indicating that \$4.9 billion would be spent over five years on major infrastructure projects, such as the upgrading of irrigation channels in the foodbowl in northern Victoria to capture lost water.

The audit will assess the extent to which selected programs and initiatives established to improve irrigation efficiency are meeting their objectives.

2.2.4 Performance audits relating to *Caring* communities

Growing Victoria Together visions:

Thriving economy > Quality health and education > Healthy environment > **Caring communities** > Vibrant democracy

Caring communities

Building friendly, confident and safe communities

- Friendly and confident communities have strong support networks, services and infrastructure to meet the needs of people who live and work with them. Safety in communities depends on good communication, excellent policing and emergency services, and effective measures to address the causes of crime.

A fairer society that reduces disadvantage and respects diversity

- Two of our great strengths are the commitment of Victorians to giving everyone a fair go, and our rich cultural and social diversity.



Areas of performance audit interest

Broad scope

- Family violence strategy
- Preparedness to respond to terrorism

Limited scope

- Community Support Fund
- Complaints against ticket inspectors
- Construction of new police stations and courthouses
- Integrated courts management system
- Management of the multi-purpose taxi program
- Working with Children Check system

Background to performance audits

Family violence strategy

Family violence is a complex social problem that affects all socio-economic and cultural groups. The Victorian Government has developed a 'joined-up' approach to family violence, which involves Victoria Police, other state government agencies, non-government organisations and the courts.

The audit will assess the operation of Victoria's family violence strategy. Areas of focus will include the coordination of family violence services and the effectiveness of inter-agency collaboration, addressing barriers to the disclosure of violence, the effectiveness of family violence services, and reporting of outcomes.

Preparedness to respond to terrorism

Since 2002, the Victorian Government has introduced a range of initiatives aimed at improving Victoria's preparedness for terrorist attack. The *Terrorism (Community Protection) Act 2003* requires owners and operators of essential services to develop and test risk-management plans. A security and emergencies unit has been established within the Department of Premier and Cabinet (DPC), along with a state crisis centre to coordinate advice and responses in the event of an emergency. All departments have taken steps to plan for terrorism events insofar as they have the potential to affect their respective portfolios.

The audit will examine the coordination and liaison across state government agencies in relation to terrorism preparedness, and the effectiveness of arrangements for achieving compliance with the *Terrorism (Community Protection) Act* by the owners and operators of essential services.

Community Support Fund

The Community Support Fund (CSF) receives a percentage of the revenue generated from Victoria's gambling machines and is used to fund problem gambling research, community projects relating to drug rehabilitation, sports, the arts, youth and tourism, and a range of other projects and activities. Our last audit report on the CSF—*The Community Support Fund: a significant community asset*—was tabled in 1996. Since that audit, the CSF legislation has significantly changed and the scope of the projects that can be funded has widened.

This audit will assess the management framework operated by the Department of Planning and Community Development (DPCD), whether CSF grants have been made in compliance with the Act, and whether the funds provided to beneficiaries are being spent for the purposes approved.

Complaints against ticket inspectors

Public transport ticket inspectors perform statutory functions under the *Transport Act 1983* including the issue of infringement notices. Arrangements for handling complaints from public transport patrons are an important part of the accountability framework for ticket inspectors. Such complaints are handled variously by the transport operators, the Public Transport Ombudsman (PTO) or Ombudsman Victoria depending on the nature of the complaint. The Department of Infrastructure (DOI) has a role as the contract manager for the private operators who employ authorised officers.

The audit will assess the management of complaints relating to ticket inspectors. The audit will also focus on the activities of the PTO and DOI, and the management of their jurisdictional responsibilities. A key criterion for assessment will be the extent to which complaints handling arrangements are clearly communicated to public transport users and the community as a whole.

Construction of new police stations and courthouses

Since the 2003–04 Budget, the government has committed approximately \$330 million for new and upgraded police facilities and courthouses throughout Victoria.

The audit will examine the planning and management of the asset investment program in police stations and courts, and the extent to which the program and selected projects are delivered on time and budget.

Integrated courts management system (ICMS)

Effective technology systems are an essential component of the drive to modernise the courts and improve their coordination, service delivery and efficiency. The government has previously invested significantly in this as part of the criminal justice enhancement program. ICMS is a major program established to implement a single integrated technology platform and set of computer applications for all Victorian courts and tribunals. The 2005–06 State Budget provided \$32.3 million in capital and \$12.7 million in operating funds over four years for this project.

The audit will assess the implementation of ICMS with a focus on program planning, management and governance and the extent to which program objectives and anticipated benefits have been realised.

Management of the multi-purpose taxi program

The multi-purpose taxi program subsidises taxi trips for people with severe and permanent disabilities, as certified by their doctor, which prevent them from using trams, trains or buses. Following significant growth in both program membership and costs to the state and concerns about possible fraud, the government responded with a range of changes to the operation and management of the program, which were announced as necessary to maintain its long-term sustainability.

This audit will assess the progress in implementing systems to manage and administer the multi-purpose taxi program and the extent to which these systems are achieving program objectives.

Working with Children Check system

In 2005, the Victorian Government established minimum standards for people who work with children. Under the *Working with Children Act 2005*, employers, employees, volunteers and self-employed people are legally required to apply for a Working with Children Check if their work involves regular direct contact with a child, and that contact is not directly supervised by another person. The Working with Children Check involves a national police records check and a review of relevant findings from prescribed professional disciplinary bodies. The assessment process is managed through the Department of Justice, which is also responsible for educating the community about the checking system. Implementation of the Working with Children Check system is being phased in over a five-year period from July 2006.

The audit will examine the extent to which the Working with Children Check system has been implemented effectively to date, the quality assurance framework has been established, and whether there is evidence of improved outcomes as a consequence of the system's establishment.

2.2.5 Performance audits relating to a *Vibrant democracy*

Growing Victoria Together visions
Thriving economy > Quality health and education > Healthy environment > Caring communities > Vibrant democracy
Vibrant democracy <i>Greater public participation and more accountable government</i> <ul style="list-style-type: none">• Open and accountable government is one of the fundamental commitments we have made to the people of Victoria. It is the right of all Victorians. <i>Sound financial management</i> <ul style="list-style-type: none">• Financial responsibility provides us with the long-term capacity to achieve our vision for Victoria. Our ability to attract people, investment and new jobs, to provide better services, and to protect our environment, depend on a strong and secure financial base.



Areas of performance audit interest
Broad scope <ul style="list-style-type: none">• Integrity and protection of data in selected information technology systems• Victorian WorkCover Authority – claims management
Limited scope <ul style="list-style-type: none">• Fraud – assessment of systems, policies and procedures• Public entity governance: compliance with Part 5 of the <i>Public Administration Act 2004</i>.

Background to performance audits

Integrity and protection of data in selected information technology systems

Information and communication technology (ICT) and its effective use are integral to the operation and services provided by most public sector agencies. Advances in ICT in the wider community have implications and create risks for the public sector, including:

- data protection risks arise from use of technologies (such as wireless networking and the internet) and through the introduction of new systems (with an increased emphasis on the implementation of integrated IT systems)

- risks to data integrity arise from a lack of appropriate controls around the operation of IT systems.

Inadequate security policies and procedures, and ineffective controls around the operation of IT systems can compromise confidentiality and privacy.

The audit will assess the extent to which effective controls are in place to protect the integrity of data and the privacy and confidentiality of personal information.

Victorian WorkCover Authority – claims management

The Victorian WorkCover Authority (VWA) manages Victoria's workplace safety system. The VWA has three main areas of focus: prevention, compensation and rehabilitation. Our 2001 performance audit—*Management of claims by the Victorian WorkCover Authority*—identified issues associated with claims management experience under the VWA's new claims management model.

This audit will examine the efficiency and effectiveness of claims management by the VWA.

Fraud – assessment of systems, policies and procedures

Recent organisational fraud surveys indicate that fraud is a growing concern for both the private and public sectors. Electronic commerce technologies bring with them new risks, due to the lack of physical presence of people in transactions and the ability of people to disguise or manipulate their identity when conducting transactions online.

The audit will assess fraud prevention and detection policies, systems and procedures in place.

Public entity governance: compliance with Part 5 of the Public Administration Act 2004

Victoria has more than 4 000 public entities. The entities are responsible for a diverse range of services and asset management functions across all sectors. Part 5 of Victoria's Public Administration Act imposes obligations on those public entities that were created after 1 July 2005. The obligations concern board governance procedures, including in relation to conflicts of interest, gifts and codes of conduct.

The audit will examine the compliance arrangements for Part 5 of the Act, and whether selected public entities are complying with the governance obligations under that section of the Act.

2.3 Prospective areas of performance audit interest, 2009–10 to 2011–12

Figure 2C presents the prospective areas of performance audit interest for the period 2009–10 to 2011–12. It represents an indicative program from which our Office will develop its annual plans from 2009–10 and beyond.

The disclosure of this program is intended to increase the level of transparency over the selection of areas of performance audit interest and to stimulate stakeholder interest and feedback. Its disclosure aims to improve Parliament's awareness, through the PAEC, of the range of prospective audits from which we propose to develop future annual plans.

The prospective program provides managers of public sector agencies and citizens with the opportunity to provide comment to better inform our future decisions relating to the application of our finite audit resources. It deliberately includes a volume of audits that exceeds the delivery capacity of the Office.

This program will be reassessed annually and areas of audit interest are likely to be added or removed on an ongoing basis. Furthermore, for each prospective audit, the final audit approach will be determined after the completion of detailed planning by our Office, a process requiring consultation with the PAEC. In addition, the Auditor-General retains the discretion to respond to emerging and unforeseen issues and report to Parliament in an appropriate manner.

Appendix 1 presents the prospective areas of performance audit interest for the period 2008–09 to 2011–12 by departmental sector.

**Figure 2C
Prospective performance audits**

	2009–10	2010–11	2011–12
Thriving economy			
Broad scope	<p>Contract management: franchise arrangements and basis for renewal post 2009</p> <p>Management of heritage sites and buildings owned by the state and local government</p> <p>Metropolitan transport planning</p>	<p>Energy generation security</p> <p>Melbourne markets redevelopment</p> <p>Melbourne Portal and Dynon Port rail link project</p> <p>New public transport ticketing system (myki)</p>	<p>Road-based freight system operations in Victoria</p> <p>Safety of Victorian bridges</p>
Limited scope	<p>Assessment of major rail projects, including project outcomes</p> <p>Assessment of management of major road projects by VicRoads, including project outcomes</p> <p>Local government vehicle fleet management</p> <p>Restoration of country passenger rail services: Mildura and Leongatha</p>	<p>Investment attraction</p> <p>Port of Melbourne channel deepening project: progressive examination</p> <p>Small business support program</p> <p>Status of rail safety initiatives and the potential impact of outstanding works (including level crossing improvement program)</p> <p>Transit cities – revitalising central Dandenong</p>	<p>Cooperative purchasing arrangements in local government</p> <p>International students and private providers</p> <p>Rail rolling stock procurement</p>

Figure 2C
Prospective performance audits - *continued*

	2009–10	2010–11	2011–12
Quality health and education			
Broad scope	<p>Project management for construction of public hospitals and other human service-related facilities</p> <p>Research and commercial activities in universities, affiliated hospitals and related research bodies</p> <p>Teacher performance</p>	<p>Early childhood development programs</p> <p>Inter-relationship between public hospitals and universities (contractual arrangements, cost reimbursement, accountability)</p> <p>Learning technologies in government schools, including UltraNet</p> <p>School maintenance and management of risks, such as arson, vandalism, security</p>	<p>Aged care</p> <p>Dental services</p> <p>Indigenous education</p> <p>Management of drug and alcohol services in the public health system</p> <p>School modernisation program</p> <p>TAFE property management</p>
Limited scope	<p>Access to affordable housing (medium and long-term housing), including support services (housing associations)</p> <p>Bio21</p> <p>Community health services</p> <p>Effectiveness of student welfare services</p> <p>Management and quality of TAFE facilities and equipment</p> <p>Management of concessions to pensioners and beneficiaries</p> <p>Management of funding and service agreements with non-government (health) service providers</p> <p>Review of Victorian Curriculum and Assessment Authority, including implementation of the assessment processing system</p> <p>Synchrotron project</p>	<p>Child protection</p> <p>Client service model strategic project</p> <p>Financial performance of universities' offshore and interstate operations</p> <p>Property management in the human services sector, including maintenance of public hospitals</p> <p>Student safety, including bullying</p>	<p>Nurses on call</p> <p>Review of the Victorian Institute of Teaching</p> <p>Select entry schools</p> <p>Victorian Registration and Qualifications Authority</p> <p>Visiting medical officer payments in public hospitals</p>

Figure 2C
Prospective performance audits – *continued*

	2009–10	2010–11	2011–12
Healthy environment			
Broad scope	Agricultural extension activities Hazardous waste management Sustainable natural resource management Water demand and supply management (including a follow up of water trading and impact of Murray-Darling Basin arrangements)	Environmental management of Victorian ports Fire prevention and preparedness on public land Salinity management	Foodbowl modernisation project, including the Sugarloaf Interconnector Health of Victoria's water systems (lakes, rivers, wetlands) Renewable energy use in Victoria
Limited scope	Carbon trading regime VicForests – review of operations	Critical information communication technology infrastructure (water sector) Farm business management programs Genetically modified foods	Desalination plant Northern sewerage infrastructure project Performance reporting: water authorities Victorian resources online (information for primary producers)

Figure 2C
Prospective performance audits – *continued*

	2009–10	2010–11	2011–12
Caring communities			
Broad scope	<p>Capacity of police and emergency services to respond to people with mental health issues</p> <p>Childcare provision by local government</p> <p>Dependence on fundraising activities and volunteers in the education, human services and justice sectors, and management of associated risks</p> <p>Local government business planning</p> <p>Public transport access for people with disabilities</p>	<p>Local community transport (bus) service provision</p> <p>Local government role in waste management</p> <p>Prisoner health system and services</p>	<p>Problem gambling</p>
Limited scope	<p>Assessment of community building projects, including governance and financial management</p> <p>Compliance with community corrections orders</p> <p>Emergency services telecommunication system and emergency alerting systems, including response times by emergency services</p> <p>Law enforcement assistance program (LEAP) enhancement</p> <p>Personal safety on public transport</p> <p>Utilisation of development contributions (local government)</p>	<p>Performance indicators – police and emergency services</p> <p>Procurement of prison services</p> <p>Redevelopment of Melbourne legal precinct – Supreme Court</p> <p>Victoria Police Forensic Science Department</p>	<p>Construction of the rectangular stadium</p> <p>Effectiveness of victims of crime programs</p> <p>Financial counselling provided by agencies</p> <p>Motorcycle safety programs</p>

Figure 2C
Prospective performance audits - *continued*

	2009–10	2010–11	2011–12
Vibrant democracy			
Broad scope		Provincial Victoria Growth Fund Victorian WorkCover Authority – conciliation services	Essential Services Commission review Fraud prevention strategies in local government
Limited scope	Outcomes associated with the movement of agencies to regional areas— Transport Accident Commission (TAC), Rural Finance Commission and State Revenue Office	Administration of corporate sponsorship arrangements (e.g. TAC) Business continuity planning in local government Compliance with requirements to disclose details of contracts with the private sector Local government business units – competitive neutrality requirements, risk management and gain share arrangements State Trustees Ltd – represented persons	Arts Victoria capital works program Lotteries/gaming machine/Keno and wagering licences Small agencies review in the water sector

Appendix 1

Prospective areas of performance audit interest, 2008–09 to 2011–12

This appendix outlines the prospective areas of performance audit interest from 2008–09 to 2011–12, on a departmental sector basis. Please note that some of these areas impact on more than one departmental sector and are referenced in the appendix.

Figure A1
Prospective areas of performance audit interest 2008–09 to 2011–12

Sector-wide and central agencies		2008–09		2009–10		2010–11		2011–12	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
Bio-security and risk management of livestock diseases (see DHS, DPI)	Fraud - assessment of systems, policies and procedures	Management of heritage sites and buildings owned by the state and local government (see local government)	Carbon trading regime (see DSE)	Victorian WorkCover Authority - conciliation services	Compliance with requirements to disclose details of contracts with the private sector	Essential Services Commission review	Arts Victoria capital works program		
Family violence strategy (see DOJ, DHS)	Public entity governance: compliance with Part 5 of the Public Administration Act		Outcomes associated with the movement of agencies to regional areas (Transport Accident Commission (TAC), Rural Finance Commission and State Revenue Office)		Administration of corporate sponsorship arrangements (e.g. TAC)				
Integrity and protection of data in selected information technology systems (see DEECD, DOI)					State Trustees Ltd – represented persons				
Preparedness to respond to terrorism (see DOI, DOJ, DHS, DIIRD, DSE, DPI)									
Victorian WorkCover Authority – claims management									
Department of Education and Early Childhood Development sector									
2008–09		2009–10		2010–11		2011–12			
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited		
Integrity and protection of data in selected information technology systems (see DOI, sector-wide and central agencies)	Achievement of literacy benchmarks	Dependence on fundraising activities and volunteers in the education, human services and justice sectors and management of associated risks (see DHS, DOJ, DPCD)	Effectiveness of student welfare services	Early childhood development programs	Student safety, including bullying	Indigenous education	Review of Victorian Institute of Teaching		
School buildings: planning, maintenance and renewal	Assessment of outcomes associated with CASES21		Review of Victorian Curriculum and Assessment Authority, including implementation of the assessment processing system	Learning technologies in government schools, including UltraNet		School modernisation program	Select entry schools		
	International and full fee-paying students (see DIIRD)			School maintenance and management of risks, such as arson, vandalism, security			Victorian Registration and Qualifications Authority		
	Management of funds held by schools/school councils (including loans of school cooperatives)	Teacher performance							

Figure A1
Prospective areas of performance audit interest 2008–09 to 2011–12 – continued

Department of Human Services sector		2008–09		2009–10		2010–11		2011–12	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
Bio-security incidents – planning and risk management of livestock diseases (see sector-wide and central agencies, DPI)	Accreditation of overseas trained doctors Home and community care services (see local government) Royal Children's Hospital redevelopment	Dependence on fundraising activities and volunteers in the education, human services and justice sectors, and management of associated risks (see DEECD, DOJ, DPCD)	Access to affordable housing (medium and long-term housing), including support services (housing associations) Community health services Management of concessions to pensioners and beneficiaries Management of funding and service agreements with non-government (health) service providers	Inter-relationship between public hospitals and universities (contractual arrangements, cost reimbursement, accountability) (see DIIRD) Prisoner health system and services (see DOJ)	Child protection Client service model strategic project Property management in the human services sector, including maintenance of public hospitals	Aged care Dental services Management of drug and alcohol services in the public health system	Nurses on call Visiting medical officers payments in public hospitals		
Family violence strategy (see sector-wide and central agencies, DOJ)									
Patient flow and bed management in public hospitals		Project management for construction of public hospitals and other human service-related facilities							
Preparedness to respond to terrorism (see DOI, DOJ, DPI, DIIRD, DSE, sector-wide and central agencies)		Research and commercial activities in universities, affiliated hospitals and related research bodies (see DIIRD)							

Figure A1
Prospective areas of performance audit interest 2008–09 to 2011–12 – *continued*

Department of Infrastructure sector		2009–10		2010–11		2011–12	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
Integrity and protection of data in selected information technology systems (see DEECD, sector-wide and central agencies)	Complaints against ticket inspectors Management of the multi-purpose taxi program	Contract management: franchise arrangements and basis for renewal post 2009 Metropolitan transport planning Public transport access for people with disabilities	Assessment of major rail projects, including project outcomes Assessment of management of major road projects by VicRoads, including project outcomes Personal safety on public transport Restoration of country passenger rail services: Mildura and Leongatha	Environmental management of Victorian ports (see DSE) Melbourne Portal and Dynon Port rail link project New public transport ticketing system (myki)	Port of Melbourne channel deepening project: progressive examination Status of rail safety initiatives and the potential impact of outstanding works (including level crossing improvement program)	Road-based freight system operations in Victoria Safety of Victorian bridges	Motorcycle safety programs Rail rolling stock procurement
Port of Melbourne channel deepening project							
Preparedness to respond to terrorism (see DSE, DOJ, DPI, DHS, DIIRD, sector-wide and central agencies)							
Privately provided public bus services							
Department of Innovation, Industry and Regional Development sector		2009–10		2010–11		2011–12	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
Effectiveness of drought-assistance measures (see DPI, DSE)	International and full fee-paying students (see DEECD)	Research and commercial activities in universities, affiliated hospitals and related research bodies (see DHS)	Bio21 Management and quality of TAFE facilities and equipment Synchrotron project	Inter-relationship between public hospitals and universities (contractual arrangements, cost reimbursement, accountability) (see DHS) Provincial Victoria Growth Fund	Financial performance of universities' offshore and interstate operations Investment attraction Small business support program	TAFE property management	International students and private providers
Preparedness to respond to terrorism (see DSE, DOJ, DPI, DHS, DOI, sector-wide and central agencies)							

Figure A1
Prospective areas of performance audit interest 2008–09 to 2011–12 – continued

Department of Justice sector		2008–09		2009–10		2010–11		2011–12	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
Family violence strategy (see sector-wide and central agencies, DHS)	Construction of new police stations and courthouses	Capacity of police and emergency services to respond to people with mental health issues	Compliance with community corrections orders	Prisoner health system and services (see DHS)	Performance indicators - police and emergency services	Problem gambling	Effectiveness of victims of crime programs		
Preparedness to respond to terrorism (see DSE, DJIRD, DPI, DOI, DHS, sector-wide and central agencies)	Integrated courts management system Working with Children Check system	Dependence on fundraising activities and volunteers in the education, human services and justice sectors, and management of associated risks (see DEECD, DHS, DPCD)	Emergency services telecommunication system and emergency alerting systems, including response times by emergency services		Procurement of prison services		Financial counselling provided by agencies		
			Law enforcement assistance program (LEAP) enhancement		Redevelopment of Melbourne legal precinct – Supreme Court		Lotteries/gaming machine/Keno and wagering licences		
					Victoria Police Forensic Science Department				

Figure A1
Prospective areas of performance audit interest 2008–09 to 2011–12 – continued

Department of Primary Industries sector		2009–10		2010–11		2011–12	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
Bio-security incidents – planning and risk management of livestock diseases (see sector-wide and central agencies, DHS)	<i>Flora and Fauna Guarantee Act 1988</i> (see DSE) Irrigation efficiency programs (see DSE)	Agricultural extension activities Sustainable natural resource management	VicForests - review of operations (see sector-wide and central agencies)	Energy generation security Melbourne markets redevelopment Salinity management (see DSE)	Farm business management programs Genetically modified foods	Foodbowl modernisation project, including the Sugarloaf Interconnector (see DSE) Renewable energy use in Victoria (see DSE)	Victorian resources online (information for primary producers)
Effectiveness of drought-assistance measures (see DIIRD, DSE)							
Environmental management in Victorian Parks (see DSE)							
Preparedness to respond to terrorism (see DSE, DHS, DIIRD, DOJ, DOI, sector-wide and central agencies)							
Department of Sustainability and Environment sector		2009–10		2010–11		2011–12	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
Effectiveness of drought-assistance measures (see DIIRD, DPI)	<i>Flora and Fauna Guarantee Act 1988</i> (see DPI) Irrigation efficiency programs (see DPI)	Hazardous waste management Water demand and supply management (including a follow up of water trading and impact of Murray-Darling Basin arrangements)	Carbon trading regime (see sector-wide and central agencies)	Environmental management of Victorian ports (see DOI) Fire prevention and preparedness on public land Salinity management (see DPI)	Critical information communication technology infrastructure (water sector)	Foodbowl modernisation project, including the Sugarloaf Interconnector (see DPI) Health of Victoria's water systems (lakes, rivers, wetlands) Renewable energy use in Victoria (see DPI)	Desalination plant Northern sewerage infrastructure project Performance reporting: water authorities Small agencies review in the water sector
Environmental management in Victorian parks (see DPI)							
Preparedness to respond to terrorism (see DPI, DHS, DIIRD, DOJ, DOI, sector-wide and central agencies)							

Figure A1
Prospective areas of performance audit interest 2008–09 to 2011–12 – continued

Department of Planning and Community Development sector							
2008–09		2009–10		2010–11		2011–12	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
	Community Support Fund	Dependence on fundraising activities and volunteers in the education, human services and justice sectors, and management of associated risks (see DEECD/DHS/DOJ)	Assessment of community building projects, including governance and financial management	Local community transport (bus) service provision (see local government)	Transit cities – revitalising central Dandenong		Construction of the rectangular stadium
Local government sector							
2008–09		2009–10		2010–11		2011–12	
Broad	Limited	Broad	Limited	Broad	Limited	Broad	Limited
	Enforcement of planning permits Home and community care services (see DHS)	Childcare provision by local government Local government business planning Management of heritage sites and buildings owned by the state and local government (see sector-wide and central agencies)	Local government vehicle fleet management Utilisation of developments (local government)	Local community transport (bus) service provision (see DPCD) Local government role in waste management	Business continuity planning in local government Local government business units – competitive neutrality requirements, risk management and gain share arrangements	Fraud prevention strategies in local government	Cooperative purchasing arrangements in local government

Appendix 2

Performance and other audit program coverage, 2005–06 to 2007–08

Performance audits undertaken in 2005–06 to 2007–08 are presented in this appendix, together with other types of parliamentary reports. The 2007–08 program includes audits that are scheduled for tabling in Parliament by 30 June 2008.

Figure A2
Audit program coverage, 2005–06 to 2007–08

<i>Growing Victoria Together</i> vision	2005–06	2006–07	2007–08
Thriving economy	<ul style="list-style-type: none"> Interim report on the regional fast rail project Franchising Melbourne's train and tram system Operation of the Regional Infrastructure Development Fund Progress of the Eastlink project 	<ul style="list-style-type: none"> Delivering regional fast rail services Docklands film and television studios: status of state's interest Maintaining Victoria's rail infrastructure assets Making travel safer: Victoria's speed enforcement program Purchase of contaminated land by the former Melbourne Port Corporation Rail gauge standardisation project State investment in major events 	<ul style="list-style-type: none"> Audits of two major Partnerships Victoria projects (Melbourne Convention Centre and Southern Cross Station) Discovering Bendigo project Funding and delivery of two freeway upgrade projects (buy back of CityLink concession notes, Tullamarine and Calder Interchange project, and M1 upgrade project) Maintaining the state's regional arterial road network* New ticketing system tender Planning permit application: assessment checklist Planning scheme amendment: assessment checklist

Figure A2
Audit program coverage, 2005–06 to 2007–08 – continued

<i>Growing Victoria Together</i> vision	2005–06	2006–07	2007–08
Thriving economy – continued			<ul style="list-style-type: none"> Public sector procurement: turning principles into practice Victoria’s planning framework for land use and development
Quality health and education	<ul style="list-style-type: none"> Access to specialist medical outpatient care Drug education in schools: progress made on our 2003 report Health procurement in Victoria Kangan Batman Institute of TAFE: adequacy of processes to outsource its printing functions Management of food safety in Victoria: progress made on our 2002 report Mental health services for people in crisis: progress made on our 2002 report Performance reporting by public health services 	<ul style="list-style-type: none"> Accountability for public funds provided to a non-government organisation (human services) Condition of public sector residential aged care facilities Contract and tendering practices in selected agencies Giving Victorian children the best start in life Maintaining public housing stock – follow up, including housing integrated information program Managing emergency demand in public hospitals – follow up Managing medical equipment in public hospitals – follow up Promoting better health through healthy eating and physical activity Review of major public cemeteries 	<ul style="list-style-type: none"> Accommodation for people with a disability Coordinating services and initiatives for Aboriginal people* Delivering HealthSMART – whole-of-health ICT strategy Improving our schools: monitoring and support Management of specific purpose funds by public health services Patient safety in public hospitals* Program for students with disabilities: program accountability Royal Women’s Hospital redevelopment*

Figure A2
Audit program coverage, 2005–06 to 2007–08 – continued

<i>Growing Victoria Together</i> vision	2005–06	2006–07	2007–08
Quality health and education – continued		<ul style="list-style-type: none"> Vocational education and training: meeting the skill needs of the manufacturing industry 	
Healthy environment	<ul style="list-style-type: none"> Fire prevention and preparedness: progress made on our 2003 report Managing stormwater flooding risks in Melbourne Protecting our environment and community from failing septic tanks Strategic purchasing and Barwon Region Water Authority: contract for the supply of water treatment chemicals 	<ul style="list-style-type: none"> Westernport Region Water Authority: investigation of aspects of the authority's management 	<ul style="list-style-type: none"> Agricultural research investment, monitoring and review Goldfields superpipe and Wimmera-Mallee pipeline* Planning for water infrastructure in Victoria South-East Water alliance contract*
Caring communities	<ul style="list-style-type: none"> Administration of grants by local governments Community planning services in Glenelg Shire Council, 1998–2005 Geelong Magistrates Court: investigation into alleged misuse of court funds Harness racing industry reforms: adequacy of consultation Latrobe Valley Marketing Advisory Panel: financial management and oversight 	<ul style="list-style-type: none"> Addressing the needs of Victorian prisoners: follow up Administration of non-judicial functions of the Magistrates Court of Victoria 	<ul style="list-style-type: none"> Implementation of the criminal justice enhancement program* Services to young offenders*

Figure A2
Audit program coverage, 2005–06 to 2007–08 – continued

<i>Growing Victoria Together</i> vision	2005–06	2006–07	2007–08
Caring communities – continued	<ul style="list-style-type: none"> • Management of the Commonwealth Games athletes' village project • Planning for a capable Victoria Police workforce 		
Vibrant democracy	<ul style="list-style-type: none"> • Government vehicle fleet disposals • Managing intellectual property in government agencies • TAC: CEOs' travel and entertainment expenditure 	<ul style="list-style-type: none"> • Government advertising • Managing risk across the public sector: toward good practice • Public hospital financial performance and sustainability • Raising and collection of fees and charges by departments 	<ul style="list-style-type: none"> • Local government performance reporting best practice guide* • Parliamentary appropriations: output specifications • Performance reporting by financial institutions and insurance agencies: relevance and appropriateness* • Performance reporting in local government: relevance and appropriateness* • Project Rosetta* • Records management in the Victorian public sector

Key:* = Audit reports yet to be tabled

