



Auditor-General for the Northern Territory
Auditing for Parliament

February 2014

Report to the Legislative Assembly



ORDERED TO BE
PRINTED BY THE
LEGISLATIVE ASSEMBLY
OF THE
NORTHERN TERRITORY

ISSN 1323-7128



Auditor-General for the Northern Territory

Auditing for Parliament

February 2014 Report to the Legislative Assembly

This page deliberately left blank.

Contents

	Page
Contents	3
Transmittal Letter to the Speaker	5
Auditor-General's Overview	7
Reports on the Results of Audits, Reviews and Assessments	9
Appendix 1: Audit Opinion Reports Issued Since 30 June 2013	133
Appendix 2: Status of Audits which were Identified to be Conducted in the Six Months to 31 December 2013	137
Appendix 3: Proposed Audit Activity in the Six Months Ending 30 June 2014	139
Appendix 4: Overview of the Approach to Auditing the Public Account and Other Accounts	141
Appendix 5: Abbreviations	143
Index of Matters Reported	145

This page deliberately left blank.



Northern Territory Auditor-General's Office

Auditing for Parliament

The Honourable the Speaker of the Legislative
Assembly of the Northern Territory
Parliament House
Darwin NT 0800

13 February 2014

Dear Madam Speaker,

Accompanying this letter is my report to the Legislative Assembly on matters arising from audits and reviews conducted during the six months to 31 December 2013 and I request that you table the report today in the Legislative Assembly.

The larger part of the report outlines the results of audits of financial statements prepared by statutory bodies and Government Business Divisions, and the requirements that cover the preparation and audit of those statements are set out in various Acts of Parliament.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'F. McGuinness'.

F McGuinness

Auditor-General for the Northern Territory

This page deliberately left blank.

Auditor-General's Overview

Audits Included in this Report

This Report outlines the results of audits and reviews conducted during the period 1 July 2013 to 31 December 2013. The results of 28 separate audits and other tasks undertaken by my office are included, with the larger part of the report dealing with statutory audits of financial statements that were undertaken in the period following the end of the 2012-13 financial year.

Agencies are required, by Treasurer's Directions that are issued pursuant to the *Financial Management Act*, to prepare financial statements that comply with Australian Accounting Standards. However, Agencies are not required to submit those statements to the Auditor-General unless directed to do so by the Treasurer pursuant to section 11(3) of the *Financial Management Act*. As no such direction has been given, Agencies' financial statements are not audited separately, but are reviewed as part of the audit of the Public Account and of the Treasurer's Annual Financial Statement.

Statutory bodies, Government Owned Corporations and Government Business Divisions are required by various Acts of Parliament to prepare annual financial statements and to submit those statements to the Auditor-General. Those statements are audited and audit opinions issued accordingly. The opinions are included in the various entities' annual reports that are tabled in the Legislative Assembly. If matters of concern were noted during the course of an audit, specific comment is included in my report to the Assembly.

In addition, the Northern Territory Government controls, either directly or indirectly, a small number of companies that have been incorporated pursuant to the *Commonwealth Corporations Act 2001*. These audits are performed subject to the provisions of the Commonwealth legislation, with the Auditor-General being deemed by the *Corporations Act 2001* to be a Registered Company Auditor.

Audits by my Office are conducted in accordance with Australian Auditing Standards. Those standards are issued by the Australian Auditing and Assurance Standards Board, a Commonwealth statutory body established under the *Australian Securities and Investments Commission Act 2001*. Auditing standards issued by the Board have the force of law in respect of audits of corporations that fall within the ambit of the *Corporations Act 2001*, while the *Audit Act* also requires that I have regard to those standards.

Auditor-General's Overview cont...

An unqualified audit opinion indicates that the financial statements in question comply with Australian Accounting Standards. Three qualified audit opinions were issued for 2012-13. The first was in respect of NT Build where I was unable to satisfy myself that all revenues due to the Board had been recognised in NT Build's financial statements. The nature of the building approval processes that currently apply in the Territory gives rise to some doubt as to whether NT Build has been advised of all construction work that might be said to fall within the scope of the *Construction Industry Long Service and Benefits Act*. This audit qualification has been issued for several years and the Board of NT Build have taken action in an attempt to obtain greater assurance about the number and value of construction projects that are commenced in the Territory.

The second qualification was in respect of the Treasurer's Annual Financial Statements. This qualification flowed from the recognition and valuation of construction works in progress included in the General Government and Total Public Sector balance sheets as at 30 June 2013. It is anticipated that all contractual issues relating to the Strategic Indigenous Housing and Infrastructure Program will be finalised the 2013-14 financial year and as the result it is unlikely that the factors that led to this qualification will exist at 30 June 2014.

The third qualification was in respect of the Northern Territory Major Events Company Pty Ltd. The qualification related to the 2011-12 year when the Company declared itself to be a not-for-profit entity thereby triggering certain disclosure requirements under Australian Accounting Standards, which the Company could not meet. That qualification was carried forward into the 2012-13 year in respect of the comparative figures shown on the Company's financial statements. The Company's financial statements for the 2012-13 year were unqualified.

Reports on the Results of Audits, Reviews and Assessments

This page deliberately left blank.

Central Australian Hospital Network

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Central Australian Hospital Network was established as a local hospital network pursuant to the National Health Reform Agreement and the *Hospital Networks Governing Councils Act 2012*. That Act also deems the Network to be a Government Business Division for purposes of the *Financial Management Act*.

The Network comprises the Alice Springs and Tennant Creek hospitals and is funded predominantly by national health reform payments paid through the Department of Health.

Audit Opinion

The audit of the Central Australian Hospital Network for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 9 October 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

This was the first year of activity for the Network.

Central Australian Hospital Network cont...

Financial Performance for the year

	2013
	\$'000
Income	
Sales of goods and/or services	150,555
Current grants and subsidies	70,941
Other	225
Total income	221,721
Expenditure	
Employee expenses	(130,239)
Repairs and maintenance	(2,910)
Supplies and services	(80,861)
Depreciation and amortisation	(5,457)
Current grants and subsidies	(11,339)
Total expenditure	(230,806)
Surplus/(deficit) before income tax expense	(9,085)
Income tax expense	-
Surplus/(deficit) after income tax expense	(9,085)

Central Australian Hospital Network cont...

Financial Position at year end

	2013
	\$'000
Cash and cash equivalents	5,092
Receivables and other current assets	14,044
Less current liabilities	(31,929)
Working capital	(12,793)
Add non-current assets	178,553
Less non-current liabilities	(4,742)
Net assets	161,018
Represented by:	
Accumulated funds	(9,085)
Asset revaluation surplus	43,247
Capital	126,856
Equity	161,018

Cobourgh Peninsula Sanctuary and Marine Park Board

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Cobourgh Peninsula Sanctuary and Marine Park Board (the Board) was formed in 1981 under the *Cobourgh Peninsula Aboriginal Land, Sanctuary and Marine Park Act* to acknowledge and secure the right of Aboriginals to occupy and use certain land on the Cobourgh Peninsula, to vest that land in trust for Aboriginals, to declare that land to be a national park, while making provisions relating to the management of adjacent marine areas and for related purposes.

Audit Opinion

The audit of the Cobourgh Peninsula Sanctuary and Marine Park Board for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 26 November 2013.

Key Findings

As noted in my March 2013 report to the Legislative Assembly a land claim was lodged under the *Aboriginal Land Rights (NT) Act* in 1978 over the Cobourgh Peninsula, and this resulted in the *Cobourgh Peninsula Aboriginal Land, Sanctuary and Marine Park Act*. The land claim was never withdrawn and was subsequently re-activated.

The Board has reported that:

- Although the Territory Government and the traditional Aboriginal owners reached a positive outcome in 1981 with the establishment of the land trust and park board, the original Cobourgh Peninsula Aboriginal Land Claim was not withdrawn.
- The Australian and Territory Governments are working with the Northern Land Council to resolve any potential issues as quickly as possible to ensure that arrangements for joint management continue.
- These discussions are expected to have minimal impact on visitors, residents and businesses in the Cobourgh region.

Cobourg Peninsula Sanctuary and Marine Park Board cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Grants and subsidies	-	5
Park income	235	245
Payments to traditional owners	(201)	(200)
Other revenue	115	90
Total income	149	140
Expenditure		
Operational costs	(124)	(133)
Total expenditure	(124)	(133)
Surplus/(deficit) before income tax expense	25	7

Cobourg Peninsula Sanctuary and Marine Park Board cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	230	216
Receivables and other current assets	47	23
Less current liabilities	(24)	(16)
Working capital	253	223
Add non-current assets	18	23
Less non-current liabilities	-	-
Net assets	271	246
Represented by:		
Reserves	271	246
Equity	271	246

Construction Division

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Construction Division is a Government Business Division that is responsible for the project management of the Government's capital works, and repairs and maintenance programs.

The host Agency is the Department of Infrastructure.

Audit Opinion

The audit of the Construction Division for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 18 October 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

The total income for Construction Division in 2012-13 was \$73.81 million compared to the prior year income of \$83.33 million. The decrease of \$9.52 million or 11.4 per cent was mainly attributed the reduction in programs and activities during the year.

With the decreased income, Construction Division managed to contain its costs during the year under review with total expenses decreasing by \$10.12 million or 12.1 per cent. Significant reductions in expenditure were noted in employee expenses, which declined by \$2.16 million and in the purchase of goods and services, which declined by \$7.97 million.

As a result of expenditure containment, Construction Division realised a surplus for the year of \$0.22 million, an improvement of \$0.59 million when compared with the prior year.

The net asset position of Construction Division increased to \$23.77 million from \$14.55 million at 30 June 2012. That increase is mainly attributed to an equity injection of \$9 million during the year.

Construction Division cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Sales of goods and/or services	73,612	83,161
Other	202	174
Total income	73,814	83,335
Operational costs	(20,261)	(22,578)
Employee expenses	(31,625)	(33,783)
Consultants fees	(21,627)	(27,281)
Depreciation and amortisation	(80)	(66)
Total expenditure	(73,593)	(83,708)
Surplus/(deficit) before income tax expense	221	(373)
Income tax expense	-	-
Surplus/(deficit) after income tax expense	221	(373)

Construction Division cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	4,087	1,120
Receivables and other current assets	34,073	30,429
Less current liabilities	(13,178)	(15,745)
Working capital	24,982	15,804
Add non-current assets	350	430
Less non-current liabilities	(1,563)	(1,686)
Net assets	23,769	14,548
Represented by:		
Accumulated surplus	7,239	7,018
Reserves	16,530	7,530
Equity	23,769	14,548

Darwin Bus Service

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Darwin Bus Service (DBS) is a Government Business Division which, together with a private sector operator, provides bus services on behalf of the Northern Territory Government to residents of the Darwin and surrounding rural areas. The DBS generated its revenue through charging the Department of Transport, on a 'kilometres provided' basis. Bus fares were collected on behalf of the Department and formed part of the Department's revenues. DBS continued to receive revenue from the Department at the contracted rate in circumstances where it may have been directed by Government to provide free services to the public on special occasions.

The host Agency is the Department of Transport.

Audit Opinion

The audit of the Darwin Bus Service for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 3 October 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

DBS profit for the year decreased primarily due to an increase in operational expenses, in particular insurance costs and the impact of the Enterprise Bargaining Agreement on employee expenses.

The total income varied little this financial year in comparison to 2012.

Events Since the Completion of the Audit

On 6 December 2013, the Minister for Transport announced that the services provided by the Darwin Bus Service would be transferred to the private sector.

Darwin Bus Service cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Sales of goods and/or services	8,633	8,510
Other	537	728
Total income	9,170	9,238
Expenditure		
Employee expenses	(4,428)	(4,291)
Fleet operating expenses	(2,123)	(2,142)
Supplies and services	(1,293)	(979)
Depreciation and amortisation	(852)	(799)
Total expenditure	(8,696)	(8,211)
Surplus/(deficit) before income tax expense	474	1,027
Income tax expense	(142)	(308)
Surplus/(deficit) after income tax expense	332	719

Darwin Bus Service cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	3,527	3,932
Receivables and other current assets	1,478	1,433
Less current liabilities	(1,020)	(1,299)
Working capital	3,985	4,066
Add non-current assets	6,652	6,405
Less non-current liabilities	(170)	(170)
Net assets	10,467	10,301
Represented by:		
Accumulated funds	10,120	9,954
Reserves	347	347
Equity	10,467	10,301

Darwin Port Corporation

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Darwin Port Corporation is a Government Business Division established under the *Darwin Port Corporation Act*. The Act requires the Corporation to act in a commercial manner, but the Minister may direct it to act in a non-commercial manner.

The Corporation provides commercial and non-commercial services including berth facilities, cargo handling, marine industry support, development and management of the Darwin Wharf Precinct for tourism and recreation, and provision of Port and reception facilities for cruise and naval vessel visits.

The Corporation is subject to the provisions of the National Tax Equivalent Regime.

Audit Opinion

The audit of Darwin Port Corporation for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 30 September 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

The Corporation achieved a net profit (before income tax) for the year of \$11.70 million compared to \$1.01 million recorded in the prior year. The principal factor underlying the improved performance was a higher level of utilisation of port facilities which was reflected in higher wharfage and berthage revenues. At the same time, the growth in the Corporation's expenses for the year was confined to 1 per cent or \$0.37 million.

The improvement in the Corporation's profitability was reflected in an improved liquidity and net asset position.

Darwin Port Corporation cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Sales of goods and/or services	46,867	35,673
Community Service Obligations	3,496	3,161
Other	223	701
Total income	50,586	39,535
Expenditure		
Employee expenses	(13,497)	(13,374)
Operational costs	(11,292)	(10,362)
Repairs and maintenance expenses	(4,455)	(4,484)
Depreciation and amortisation	(7,135)	(7,309)
Borrowing costs	(2,511)	(2,990)
Total expenditure	(38,890)	(38,519)
Surplus/(deficit) before income tax expense	11,696	1,016
Income tax benefit	-	7,643
Surplus/(deficit) after income tax expense	11,696	8,659
Net gain on revaluation of non-current assets	-	17,832
Total comprehensive income	11,696	26,491

Darwin Port Corporation cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	20,610	6,631
Receivables and other current assets	3,370	4,009
Less current liabilities	(18,470)	(9,799)
Working capital	5,510	841
Add non-current assets	260,426	251,392
Less non-current liabilities	(51,439)	(49,432)
Net assets	214,497	202,801
Represented by:		
Accumulated funds	5,427	(6,269)
Reserves	48,782	48,782
Contributed equity	160,288	160,288
Equity	214,497	202,801

Darwin Waterfront Corporation

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Darwin Waterfront Corporation was established pursuant to the *Darwin Waterfront Corporation Act* to develop, manage and service the Darwin Waterfront Precinct for the benefit of the community, to promote the Precinct as a place of residence and business, and as a venue for public events and entertainment.

Audit Opinion

The audit of Darwin Waterfront Corporation for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 16 October 2013.

Key Findings

The Corporation reported a deficit of \$3.40 million compared to prior year's deficit of \$2.93 million. The increase in the deficit resulted from increased employee expenses of \$0.12 million, and general property maintenance and management expenses of \$0.63 million, offset by an increase of \$0.50 million in operating grants and other contributions.

The Corporation continued to have a strong net asset position which was \$141.1 million at 30 June 2013. The Corporation reported a working capital deficit of \$3.77 million at 30 June 2013 primarily as a result of a decline in cash and receivables of \$0.45 million and an increase in the finance lease liability of \$0.17 million.

Darwin Waterfront Corporation cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
User charges	1,783	1,828
Operating grants and other contributions	17,366	16,868
Other	64	122
Total income	19,213	18,818
Expenditure		
Territory availability payments	(2,784)	(2,718)
Territory efficiency payments	(42)	(165)
Territory incentive payments	(753)	(734)
Territory operating payments	(2,744)	(2,679)
Agent service arrangements	(874)	(815)
Depreciation and amortisation	(4,383)	(4,284)
Employee expenses	(810)	(688)
Finance costs	(5,687)	(5,766)
Property maintenance	(1,859)	(1,554)
Other	(2,682)	(2,350)
Total expenditure	(22,618)	(21,753)
Surplus/(deficit) before income tax expense	(3,405)	(2,935)
Income tax benefit	-	-
Surplus/(deficit) after income tax expense	(3,405)	(2,935)

Darwin Waterfront Corporation cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	837	1,203
Receivables and other current assets	505	590
Less current liabilities	(5,111)	(5,075)
Working capital	(3,769)	(3,282)
Add non-current assets	228,090	232,072
Less non-current liabilities	(83,218)	(84,656)
Net assets	141,103	144,134
Represented by:		
Accumulated deficit	(17,509)	(14,104)
Contributed equity	158,612	158,238
Equity	141,103	144,134

Data Centre Services

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Data Centre Services (DCS) is a Government Business Division established to manage the Northern Territory Government's Data Centre, and to provide mainframe and mid-range hardware support to government Agencies.

The host Agency is the Department of Corporate and Information Services.

Audit Opinion

The audit of Data Centre Services for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 9 October 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

Data Centre Services reported a surplus before tax and dividends of \$4.15 million compared to the prior year's surplus of \$5.33 million.

The decreased surplus before income tax was mainly attributable to higher employee, operating and depreciation expenses, which rose by almost \$2.37 million, compared with an increase of \$1.19 million in income for the year.

Data Centre Services cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Sales of goods and/or services	26,378	25,135
Other	286	339
Total income	26,664	25,474
Expenditure		
Operational costs	(13,814)	(12,287)
Employee expenses	(6,393)	(5,889)
Depreciation and amortisation	(2,308)	(1,965)
Total expenditure	(22,515)	(20,141)
Surplus/(deficit) before income tax expense	4,149	5,333
Income tax expense	(1,245)	(1,600)
Surplus/(deficit) after income tax expense	2,904	3,733

Data Centre Services cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	12,527	9,787
Receivables and other current assets	5,243	6,531
Less current liabilities	(4,530)	(5,797)
Working capital	13,240	10,521
Add non-current assets	3,140	4,221
Less non-current liabilities	(467)	(363)
Net assets	15,913	14,379
Represented by:		
Accumulated funds	14,887	13,435
Capital	1,026	944
Equity	15,913	14,379

Desert Knowledge Australia

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

Desert Knowledge Australia (DKA) was established under the *Desert Knowledge Australia Act 2003* (the Act), which came into force on 18 September 2003. DKA is a body corporate that has been declared by its enabling Act to be excluded from the provisions of the *Commonwealth Corporations Act 2001*. The objectives of DKA are centred on a range of activities intended to promote economic and social development in desert and arid land areas.

DKA is managed by a Board, the members of which hold office in accordance with the provisions of the Act.

Audit Opinion

The audit of Desert Knowledge Australia for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 4 November 2013.

Key Findings

The audit did not disclose any material weaknesses in controls.

Performance Overview

DKA reported a net surplus of \$0.83 million compared with a deficit of \$0.91 million for the prior year. The improved financial result was a reflection of higher revenues, principally increased grant revenue, for the year coupled with lower expenses. The operating result was mirrored by net cash flows from operations which were \$1.06 million for 2012-13 compared with a deficit of \$0.50 million for the prior year.

Current assets increased by \$1.17 million, with cash balances increasing by \$1.06 million. Current liabilities increased by \$0.07 million, with trade and other payables being the principal factor in that increase.

Desert Knowledge Australia cont...

Events Since the Completion of the Audit

On 12 December 2013 DKA was advised that the Minister for Business had resolved to institute a review of DKA, to be completed by the end of February 2014.

Section 8 (2)(c) of the *Desert Knowledge Australia Act* requires the DKA Board to conduct its affairs within a budget approved by the Minister. The DKA budget for 2013-14 was not approved and in December 2013 DKA was advised that an external review was to be conducted to examine whether the provision of funding by the Northern Territory Government should be maintained.

The Minister for Business resolved to continue to provide funding to DKA over the life of the review and an interim funding agreement between the Department of Business and DKA was executed in December 2013.

Legal advice provided to DKA reaffirms a long-held principle that the Northern Territory of Australia is legally responsible for the properly incurred debts of DKA and the liability of the Northern Territory extends to cover the rights and entitlements of employees in the event that DKA does not have sufficient money to enable these to be paid.

At 30 June 2013 nothing came to my attention to suggest that DKA was not a going concern and the notes to DKA's financial statements for the year ended 30 June 2013 stated that "(T)he ongoing operations of DKA are reliant on continued funding by the Northern Territory Government". In the light of events that have occurred since June 2013 I have formed the view that the ability of DKA to continue as a going concern is contingent upon any decisions by the Northern Territory Government in the light of the review referred to above.

Desert Knowledge Australia cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Other income	496	830
Rent received	218	213
Interest revenue	54	85
Grants – Northern Territory Government	1,688	725
Grants – other	943	853
Total income	3,399	2,706
Expenditure		
Salaries	(1,208)	(1,361)
Depreciation and amortisation	(373)	(375)
Board costs	(46)	(83)
Consultants	(193)	(278)
Media/marketing/advertising	(28)	(40)
Motor vehicles	(40)	(60)
Travel	(99)	(96)
Desert Knowledge Precinct	(298)	(277)
Outback Business Networks partner payments	(2)	(144)
Other	(287)	(904)
Total expenditure	(2,574)	(3,618)
Surplus/(deficit)	825	(912)

Desert Knowledge Australia cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	2,748	1,684
Receivables and other current assets	211	106
Less current liabilities	(527)	(455)
Working capital	2,432	1,335
Add non-current assets	13,534	13,907
Less non-current liabilities	(2,856)	(2,957)
Net assets	13,110	12,285
Represented by:		
Equity contribution	7,809	7,809
Accumulated surplus	5,301	4,476
Equity	13,110	12,285

Desert Knowledge Australia cont...

Desert Knowledge Australia has commented:

DKA has maintained its unbroken record of unqualified audits of its accounts.

The cash held \$2,748,000 at the end of the 12/13 financial year relates principally to grants-in-advance to pre-committed activities. The modest remaining balance of cash held represents untied cash reserves achieved through DKA's program activities. A proportion of these funds were intended for investment in the development of new programs to generate further impact and cash flow.

These grants-in-advance include a specific one-off grant from the Northern Territory government to connect the Desert Knowledge Precinct to mains sewage. This \$750,000 + GST grant is reflected in the 'Grants – Northern Territory Government' income line in the Financial Performance for the Year 2013, and has inflated the Surplus for the year by that amount.

The accounts demonstrate that the NT operational grant represents just over a third of DKA's turnover, reflecting leverage of the Northern Territory Government funding. Over the last four years this leverage averages \$2.33 for every NT Government grant dollar. This leverage ratio increases if direct Desert Knowledge Precinct costs are taken into account. This external funding is generated through corporate and philanthropic support of DKA programs, Commonwealth funding and fee-for-service activities.

A significant amount of in-kind support from corporate supporters is not reflected in the accounts, including \$80,000 of support from Telstra, and substantial in-kind air travel through Qantas.

In regards to the Auditor General's findings relating to Events Since the Completion of the Audit the board of DKA wishes to emphasise its anticipation of maintaining DKA as a 'going concern' was based on the reasonable expectation that Northern Territory Government funding would continue in the same manner as previous years. This expectation was based on departmental advice that the appropriation for DKA's activities was included in the Department's 13/14 budget, past practice and timing in terms of budget approval and no indication of any expected change in funding.

In the absence of the provision of this anticipated funding DKA operated from July to December 2013 on its modest untied cash reserves until interim short-term funding was provided to ensure solvency through the review period.

Desert Knowledge Australia cont...

Desert Knowledge Australia has commented (cont...):

Maintaining DKA as a going concern is contingent on the results of the review, the Minister's determination and release of further funding. It is expected that all untied cash will be expended by the end of the term of the interim funding agreement. Without further Northern Territory Government funding at an adequate level DKA will cease to be a going concern and not be in a position to fulfil its statutory or contractual obligations beyond March 31, 2014.

DKA has provided constructive input into the review, and looks forward to working with the Northern Territory Government to discuss recommendations and to maximise the contribution of DKA to the Northern Territory.

Government Printing Office

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Government Printing Office (GPO) is a Government Business Division that provides printing services to the Government and its Agencies. All Agencies are expected to use the GPO for their printing and publication needs. The GPO is required to outsource a proportion of its work to private sector printing firms.

The host Agency is the Department of Corporate and Information Services.

Audit Opinion

The audit of the Government Printing Office for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 9 October 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

The Government Printing Office reported a deficit of \$0.76 million compared to the prior year's deficit of \$0.07 million.

The increased deficit was due predominantly to a \$1.1 million decrease in revenue as a result of changes in technology and a general reduction in printing requirements across the NT Government.

Whilst expenses associated with employees, external printing, raw materials, and plant and equipment declined during the year they did so at a slower rate than revenues leading to a higher deficit for the year.

Events Since the Completion of the Audit

On 6 December 2013 the Minister for Corporate and Information Services announced that role of the GPO in providing printing services to the public sector would cease by mid-2014.

Government Printing Office cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Sales of goods and/or services	4,647	5,546
Other	71	230
Total income	4,718	5,776
Expenditure		
Operational costs	(2,995)	(3,332)
Employee expenses	(2,341)	(2,413)
Depreciation and amortisation	(143)	(105)
Total expenditure	(5,479)	(5,850)
Surplus/(deficit) before income tax expense	(761)	(74)
Income tax expense	-	-
Surplus/(deficit) after income tax expense	(761)	(74)

Government Printing Office cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	1,711	2,276
Receivables and other current assets	620	812
Less current liabilities	(714)	(832)
Working capital	1,617	2,256
Add non-current assets	806	949
Less non-current liabilities	(132)	(153)
Net assets	2,291	3,052
Represented by:		
Accumulated funds	1,918	2,679
Capital	373	373
Equity	2,291	3,052

Jabiru Town Development Authority

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Jabiru Town Development Authority has overall responsibility under the *Jabiru Town Development Act* for maintenance and development of the town of Jabiru, the issue of sub-leases of land, and for administration, management and control of the town. A head lease agreement between the Authority and the Commonwealth over the town is due to expire in 2021.

A 1985 cost sharing agreement set out the principles for the allocation between participating parties of expenditure required for the town development. The participating parties were principally the Commonwealth Government, the Northern Territory Government, Energy Resources Australia Limited and the Authority.

The Authority is indebted to the Northern Territory Government as a result of loans provided to the Authority for the construction of infrastructure. The value of loans provided was \$8.40 million, but by 1986 the amount outstanding had increased to \$8.80 million due the capitalisation of net unpaid interest. In August of 1986 the Government granted the Authority a moratorium on interest payments and principal repayments on existing loans. That moratorium continued to apply at 30 June 2013.

Audit Opinion

The audit of the Jabiru Town Development Authority for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 3 December 2013.

Jabiru Town Development Authority cont...

Key Findings

The audit opinion, while unqualified, did include the following emphasis of matter:

“Moratorium on loan repayments

The Authority refers to its expectation of the continuation of the indefinite moratorium on the Authority’s future interest and principle repayment of loans due to the Northern Territory Government totalling \$8,804,916. Without this moratorium, there would be significant uncertainty as to whether the Authority would be able to continue as a going concern and be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Legislative changes

On 28 June 2013 the Aboriginal Land Rights and Other Legislation Amendment Bill 2013, was passed by Parliament. One of the identified impacts of this legislative change is the potential cessation of the lease over the Town of Jabiru currently held by the Authority. Should this occur the appropriateness of the Authority continuing to report on a going concern basis may be brought into question.”

Jabiru Town Development Authority cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Grants	29	28
Interest	95	134
Sub-lease transfer proceeds	11	-
Total income	135	162
Expenditure		
Administration expenses	(141)	(127)
Amortisation of town infrastructure	(62)	(62)
Total expenditure	(203)	(189)
Surplus/(deficit)	(68)	(27)

Jabiru Town Development Authority cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	3,348	3,351
Receivables and other current assets	7	14
Less current liabilities	(42)	(46)
Working capital	3,313	3,319
Add non-current assets	459	522
Less non-current liabilities	(8,805)	(8,805)
Net assets	(5,033)	(4,964)
Represented by:		
Accumulated deficit	(5,033)	(4,964)
Equity	(5,033)	(4,964)

Jabiru Town Development Authority cont...

The Jabiru Town Development Authority has commented:

The future of the Jabiru Town Development Authority (JTDA) is dependent upon the timing of new leasing arrangements for the town of Jabiru proposed by the Commonwealth and provision for which is set out in the Commonwealth's Aboriginal Land Rights and Other Legislation Amendment Act 2013.

The JTDA is constituted under Northern Territory Government legislation. Whether there is an ongoing role for the JDТА, and whether any ongoing role would be performed by the JDТА, a restructured JDТА, or an entirely new body, will be considered by the parties involved in the current Cost Sharing Agreement and the native title settlement, including the Mirrar as the Traditional Owners, as negotiations proceed.

Whichever option is chosen, the JDТА understands that it is the intention of the Northern Territory Government to ensure that there is an orderly transition to the new arrangements, and an orderly winding up of the JDТА, if necessary.

Land Development Corporation

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Land Development Corporation (the Corporation) is a Government Business Division.

Audit Opinion

The audit of the Land Development Corporation for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 2 October 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

The Corporation recognised gross revenue from land sales of \$6.67 million during the year ended June 2013. While the commercial sales were below budget, residential land sales exceeded the budget contributing to the gross profit of \$4.41 million from land sales.

The Corporation also holds strategic land with rail or water frontage as investments and offered as leasehold only.

The majority of the costs incurred by the Corporation relate to the development of land.

The Corporation received an income tax credit of \$1.47 million relating to adjustments to the tax equivalent calculation on the unrealised gains on long term leased land during the year ended 30 June 2012.

Overall the Corporation exhibited a strong working capital position of \$24.26 million at 30 June 2013, slightly reduced from the position of \$24.35 million at 30 June 2012.

Land Development Corporation cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Revenue from land sales	6,668	23,247
Royalties, rents and dividends	2,266	1,684
Assets acquired for nil consideration	-	7,501
Other gains	-	32,644
Other	1,733	948
Total income	10,667	66,024
Cost of land sold	(2,258)	(8,364)
Depreciation and amortisation	(187)	(184)
Employee expenses	(1,400)	(1,845)
Interest	(1,582)	(1,621)
Operational costs	(3,253)	(3,336)
Total expenditure	(8,680)	(15,350)
Surplus/(deficit) before income tax expense	1,987	50,674
Income tax expense	883	(3,159)
Surplus/(deficit) after income tax expense	2,870	47,515
Change in accounting policy	-	(64,090)
Comprehensive result	2,870	(16,575)

Land Development Corporation cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	10,764	67,738
Receivables and other current assets	21,502	20,301
Less current liabilities	(8,006)	(63,690)
Working capital	24,260	24,349
Add non-current assets	103,359	99,399
Less non-current liabilities	(20,043)	(20,072)
Net assets	107,576	103,676
Represented by:		
Capital	54,095	54,095
Reserves	1,864	1,864
Accumulated funds	51,617	47,717
Equity	107,576	103,676

Legislative Assembly Members' Superannuation Fund

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The *Legislative Assembly Members' Superannuation Contributions Act* details superannuation arrangements for Members who were elected to the Legislative Assembly for the first time at the general election in June 2005 and at subsequent elections. The arrangements provide for the payment of the 9 per cent superannuation guarantee to a Member's superannuation fund of choice or, in the absence of a nomination of a fund by a Member, to a default fund - the Legislative Assembly Members' Superannuation Fund formed under the *Legislative Assembly Members' Superannuation Fund Act*.

Amendments to the *Superannuation Act* passed during 2013 assigned to the Trustee Board, established under that Act, the power to exercise powers and perform functions under the *Legislative Assembly Members' Superannuation Fund Act*.

Audit Opinion

The audit of the Legislative Assembly Members' Superannuation Fund for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 1 October 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

The value of accrued benefits as at 30 June 2013 was \$71.44 million (2012: \$68.56 million). The net assets of the Fund increased by \$7.95 million for the year, in line with improved market conditions. At 30 June 2013 the value of net assets was \$56.60 million, representing 79 per cent of the value of accrued benefits as at the end of the financial year.

Territory contributions for the year increased to \$1.50 million, in line with the recommendation by the Fund's actuary. Benefits paid during the year increased by \$0.93 million to \$3.71 million, with the results of the August 2012 election affecting these figures.

Legislative Assembly Members' Superannuation Fund cont...

Abridged Statement of Changes in Net Assets

	2013	2012
	\$'000	\$'000
Income		
Interest and distributions	1,590	3,061
Changes in net market value of investments	7,762	(3,060)
Member contributions	107	185
Member surcharge contributions	240	-
Territory contributions	2,000	500
Total income	11,699	686
Expenditure		
Benefits paid	(3,711)	(2,779)
Superannuation contribution surcharge	(8)	(13)
Other expenses	(7)	(3)
Total expenses	(3,726)	(2,795)
Revenue less expenses before income tax	7,973	(2,109)
Less income tax benefit/(expense)	(23)	187
Change in net assets	7,950	(1,922)

Legislative Assembly Members' Superannuation Fund cont...

Abridged Statement of Net Assets

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	223	159
Future tax benefits	-	256
Investments	56,619	48,684
Total assets	56,842	49,099
Less liabilities	(243)	(450)
Net assets	56,599	48,649
 Vested benefits	 73,199	 70,731

Vested benefits are the value of benefits payable on voluntary withdrawal from the scheme at that date.

Nitmiluk (Katherine Gorge) National Park Board

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Nitmiluk (Katherine Gorge) National Park Board (the Board) was formed in 1989 under the *Nitmiluk (Katherine Gorge) National Park Act* to acknowledge and secure the right of those Aboriginals who are the traditional owners of certain land in the Northern Territory of Australia, and certain other Aboriginals, to occupy and use that land, to establish a National park comprising that land to be known as the Nitmiluk (Katherine Gorge) National Park, to provide for the management and control of that Park and certain other land, and for related purposes.

Audit Opinion

The audit of the financial statements of Nitmiluk (Katherine Gorge) National Park Board for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 8 November 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

The Board's revenue for the year increased by \$0.13 million to \$0.76 million and that increase can be attributed to the absence of monsoonal conditions during 2012-13 which, in turn, allowed the Board to maintain access to the Park for a longer period than normal.

Nitmiluk (Katherine Gorge) National Park Board cont...

Financial Performance for the year

	2013	2012
	\$'000	\$,000
Income		
Park income	758	625
Less payments to Traditional Owners	(473)	(389)
Less payments to the Parks and Wildlife Commission of the Northern Territory	(285)	(236)
Northern Territory Government funding sundry income	72	71
Total income	72	71
Expenditure		
Operational costs	(72)	(71)
Total expenditure	(72)	(71)
Surplus/(deficit)	-	-

Nitmiluk (Katherine Gorge) National Park Board cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	-	-
Receivables and other current assets	250	177
Less current liabilities	(250)	(177)
Working capital	-	-
Add non-current assets	-	-
Less non-current liabilities	-	-
Net assets	-	-
Represented by:		
Accumulated surplus	-	-

Northern Territory Government and Public Authorities Employees' Superannuation Fund

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Northern Territory Government and Public Authorities Superannuation Scheme (the Scheme) is established pursuant to the provisions of the *Superannuation Act* (the Act). The Act was amended during 2013 and those amendments included the establishment of the Northern Territory Government and Public Authorities Employees' Superannuation Fund (the Fund). The Fund is credited with:

- contributions received from eligible employees;
- employers' shares of benefits that are payable;
- money borrowed for the purposes of the Fund;
- income derived from investments of the Fund; and
- profits made from realization of investments of the Fund.

The amendments to the Act also established the Trustee Board. The Board is required to:

- hold the Fund as trustee for the members of the Scheme;
- to direct the Commissioner in managing and investing the Fund on the Board's behalf;
- to exercise powers and perform functions under the *Legislative Assembly Members' Superannuation Fund Act*;
- with the approval of the Minister, to exercise powers and perform functions in relation to any other superannuation fund or scheme; and
- to exercise any other functions conferred on the Trustee Board under this or any other Act.

The Trustee Board is also required to prepare financial statements in respect of the Fund, with those statements prepared on commercial accounting principles or on such other basis as the Treasurer may direct.

Northern Territory Government and Public Authorities Employees' Superannuation Fund cont...

Audit Opinion

The audit of the Northern Territory Government and Public Authorities Employees' Superannuation Fund for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 1 October 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

Market conditions in 2012-13 saw all of the Scheme's investment options achieve positive returns, although not all met the Board's return targets because of the effects of negative returns in earlier periods.

Northern Territory Government and Public Authorities Employees' Superannuation Fund cont...

Abridged Statement of Changes in Net Assets

	2013	2012
	\$'000	\$'000
Income		
Interest and distributions from investments	312	485
Movement in net market value of investments	109,944	10,093
Member contributions	49,840	52,044
Member surcharge payments received	330	136
Territory contributions	68,652	67,903
Transfers and rollovers	73,879	53,922
Total income	302,957	184,583
Expenses		
Benefits expense	(169,653)	(162,712)
Other expenses	(382)	(338)
Total expenses	(170,035)	(163,050)
Revenue less expenses before income tax	132,922	21,533
Less income tax expense	(6,525)	(7,311)
Change in net assets	126,397	14,222

Northern Territory Government and Public Authorities Employees' Superannuation Fund cont...

Abridged Statement of Net Assets

	2013	2012
	\$'000	\$'000
Cash at bank and other assets	22,516	26,536
Investments	889,330	765,268
Total assets	911,846	791,804
Less liabilities	(34,569)	(40,924)
Net assets	877,277	750,880
 Vested benefits	 1,823,640	 1,708,930

Vested benefits are the value of benefits payable on voluntary withdrawal from the scheme at that date.

Northern Territory Legal Aid Commission

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Northern Territory Legal Aid Commission (the Commission) is established under the *Legal Aid Act*. The Commission's charter is to ensure that people in the Northern Territory, particularly those who are disadvantaged, understand and have access to help to protect and enforce their legal rights and interests.

Audit Opinion

The audit of Northern Territory Legal Aid Commission for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 15 November 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

The Commission reported a current year loss of \$0.05 million compared to \$0.78 million in 2012. This improvement was due to an increase in revenue and a decrease in expenses, as outlined below:

- grant revenue increased from \$10.36 million to \$10.64 million while revenue from services rendered increased from \$0.35 million to \$0.60 million;
- operational expenses decreased from \$5.19 million to \$4.83 million; and
- employee-related expenditure fell from \$6.74 million to \$6.59 million.

Northern Territory Legal Aid Commission cont...

While the Commission's financial performance exceeded its budgeted outcome for the financial year ended 30 June 2013, it was noted that:

- the Commission received a Treasurer's Advance of \$1.18 million in May 2013 to assist it to manage cash flows which were affected by higher than expected expenses incurred on expensive criminal cases; and
- with the approval of the Commonwealth, the Commission utilised Commonwealth reserves of \$0.60 million as follows:
 - \$0.44 million to offset a decline in revenues from the Northern Territory; and
 - \$0.16 million to offset the net deficit arising from cases that related to Commonwealth legislation.

Northern Territory Legal Aid Commission cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Grants – Northern Territory Government	5,202	5,065
Grants – Commonwealth	4,548	4,511
Grants – other	892	788
Rendering of Service services	603	348
Other	124	168
Total income	11,369	10,880
Expenditure		
Administration	(1,314)	(1,390)
Employee expenses	(6,590)	(6,744)
Legal	(2,267)	(2,513)
Depreciation and amortisation	(158)	(169)
Other	(1,087)	(1,114)
Total expenditure	(11,416)	(11,930)
Surplus/(deficit)	(47)	(1,050)
Net gain on revaluation of non-current assets	-	275
Total comprehensive surplus/(deficit)	(47)	(775)

Northern Territory Legal Aid Commission cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	703	846
Receivables and other current assets	1,661	1,085
Less current liabilities	(1,811)	(1,460)
Net current assets	553	471
Add non-current assets	1,152	1,240
Less non-current liabilities	(338)	(297)
Net assets	1,367	1,414
Represented by:		
Reserves	1,202	1,801
Retained earnings	165	(387)
Equity	1,367	1,414

Northern Territory Major Events Company Pty Ltd

Audit findings and analysis of the financial statements for the year ended 30 June 2013

Background

The Northern Territory Government established the Northern Territory Major Events Company Pty Ltd with the objective of attracting major events to the Northern Territory and promoting and coordinating events; such as the Darwin round of the V8 Supercar Championship.

Audit Opinion

The audit of Northern Territory Major Events Company Pty Ltd for the year ended 30 June 2013 resulted in a qualified independent audit opinion, which was issued on 20 December 2013. That qualification related to the comparative figures for the 2011-12 financial year; the financial results for the 2012-13 financial year were unqualified.

Key Findings

Qualification

The audit opinion on the financial statements of Northern Territory Major Events Company Pty Ltd for the year ended 30 June 2013 was qualified as follows:

“Northern Territory Major Events Company Pty Ltd has not valued or recorded in-kind contributions received in the statement of comprehensive income for the year ended 30 June 2012. I was unable to obtain sufficient appropriate audit evidence to determine the amount of in-kind contributions received by Northern Territory Major Events Company Pty Ltd.”

Performance Overview

The financial performance of the company, as measured by its profit after income tax, increased by \$0.40 million when compared to the result for the prior year. The improved financial performance was attributable largely to a decline in other operating expenses which fell from \$8.08 million to \$7.70 million. Offsetting the decline in expenses was a decline of \$0.53 million in grants provided by the Northern Territory Government and a decline of \$0.12 million in ticket sales and related revenue, with the lower revenues being attributable to the timing of Round 6 of the 2013 Australian Superbike Championship event in Darwin. This event had previously been held in April 2012 and shifted to September in 2013, resulting in no revenue or expenditure being recognised in the 2012-13 year.

Northern Territory Major Events Company Pty Ltd cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Government grants	4,917	5,449
Other	4,510	3,948
Total income	9,427	9,397
Expenditure		
Employee expenses	(1,590)	(1,553)
Depreciation	(27)	(53)
Other	(7,700)	(8,087)
Total expenditure	(9,317)	(9,693)
Surplus/(deficit) before income tax expense	110	(296)
Income tax expense	-	-
Surplus/(deficit) after income tax expense	110	(296)
Dividends	-	-
Net surplus/(deficit)	110	(296)

Northern Territory Major Events Company Pty Ltd cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	1,853	1,851
Receivables and other current assets	775	1,105
Less current liabilities	(2,306)	(2,706)
Net current assets	322	250
Add non current assets	66	50
Less non current liabilities	(21)	(43)
Net assets	367	257
Represented by:		
Retained profits	367	257
Equity	367	257

Northern Territory Police Supplementary Benefit Scheme

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Northern Territory Police Supplementary Benefit Scheme differs from other superannuation schemes discussed in this report in that it was established under a Trust Deed rather than by legislation and is intended to supplement pensions payable from the Commonwealth Superannuation Scheme (CSS) for members of the Northern Territory Police, Fire and Emergency Services.

Eligibility for membership of the CSS ceased from 1 January 1988 and membership of the scheme is declining steadily as members retire and leave the scheme. At 30 June 2013 there were 71 members (77 in 2012) and 169 pensioners (163 in 2012).

Members finance a share of scheme benefits by contributing one per cent of their salary to the fund, which is managed by the Trustees. Each member has an accumulation account in the fund representing the member's contributions and interest earnings.

A member qualifies for a supplementary benefit if:

- the member is at least 50 years of age or has at least 25 years CSS contributory service when ceasing to be a member of the scheme; and
- the member becomes entitled to a CSS age retirement pension, early retirement pension, deferred pension or postponed pension on or after ceasing to be a member of the scheme.

The supplementary benefit is based on the amount of the member's CSS employer-financed pension and the member's age when ceasing to be a member of the Northern Territory Police Force or a CSS contributor, whichever occurs later. Upon qualification for a supplementary benefit, the member's accumulated contributions and interest are paid to the Territory, which is responsible for the payment of the supplementary benefit.

Northern Territory Police Supplementary Benefit Scheme cont...

The supplementary benefit is paid as a lifetime indexed pension, which commences when the CSS employer-financed pension commences. Alternatively, a pension may be commuted to a lump sum equal to ten times the annual amount of a pension. Where a person ceases membership and is not entitled to a supplementary benefit, an amount equal to the member's contributions plus interest is paid.

Audit Opinion

The audit of the Northern Territory Police Supplementary Benefit Scheme for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 1 October 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

The value of accrued benefits as at 30 June 2013 had declined by \$5.76 million to \$60.41 million, with the decline being the result of the use of a higher discount rate at 30 June 2013 when compared with the prior year.

Net assets of the Trust increased \$0.19 million to \$2.53 million due mainly to improved returns on investments. The returns on investments for the year went a considerable way towards offsetting negative returns recorded during the previous five-year period.

Benefits payments increased by \$0.08 million to \$0.28 million as a result of the continuing decline in the number of active members in 2012-13 and that decline was also reflected in a fall in members' contributions when compared with the prior year.

Northern Territory Police Supplementary Benefit Scheme cont...

Abridged Statement of Changes in Net Assets

	2013	2012
	\$'000	\$'000
Income		
Interest	3	6
Movement in net market value of investments	377	(67)
Contribution revenue	96	105
Total income	476	44
Expenses		
Benefits		
Refunds of accumulated contributions	(62)	81
Payment of accumulated contributions to the Territory	(222)	(287)
Superannuation contribution surcharge	(1)	(1)
Other expenses	(2)	(2)
Total expenses	(287)	(209)
Revenue less expenses before income tax	189	(165)
Income tax expense	-	(1)
Change in net assets	189	(166)

Northern Territory Police Supplementary Benefit Scheme cont...

Abridged Statement of Net Assets

	2013	2012
	\$'000	\$'000
Cash at bank and other assets	94	150
Investments	2,753	2,447
Total assets	2,847	2,597
Less liabilities	(311)	(250)
Net assets	2,536	2,347

Vested benefits	61,883	65,003
------------------------	---------------	---------------

Vested benefits are the value of benefits payable on voluntary withdrawal from the scheme at that date.

Northern Territory Treasury Corporation

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Northern Territory Treasury Corporation is constituted under the *Northern Territory Treasury Corporation Act* (the Act) and is the investment and borrowing agent for the Northern Territory Government.

The Under Treasurer constitutes the Corporation and is the Accountable Officer. There is an Advisory Board constituted under section 8 of the Act and the Board may, pursuant to section 11 of the Act, delegate any of its powers and functions to a member of the advisory board, an employee of the Corporation or an employee within the meaning of the *Public Sector Employment and Management Act*.

The Corporation is a Government Business Division and maintains its accounts in accordance with accounting principles applied generally by financial institutions. It is required to submit its financial statements for audit by the Auditor-General each year.

Audit Opinion

The audit of Northern Territory Treasury Corporation for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 30 September 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

For the year ended 30 June 2013 the Corporation reported a profit before tax of \$33.81 million; an improvement of 12.96 per cent when compared with the prior year's result of \$29.93 million. That profit was not retained by the Corporation but distributed in full as a dividend.

Total revenue for the year was affected by an increase of \$24.60 million in interest earned largely as a result of an increase of \$770.07 million in loans made, while total expenses were affected by an increase of \$20.82 million in interest expense as a result of increases in borrowings and provisions.

Northern Territory Treasury Corporation cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Interest	257,582	232,980
Other	473	473
Total income	258,055	233,453
Expenditure		
Interest	(221,957)	(201,142)
Administration	(2,293)	(2,385)
Total expenditure	(224,250)	(203,527)
Surplus/(deficit) before income tax expense	33,805	29,926
Income tax expense	(10,141)	(8,978)
Surplus/(deficit) after income tax expense	23,664	20,948

Northern Territory Treasury Corporation cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Total assets	4,848,368	4,098,068
Less total liabilities	(4,826,738)	(4,076,438)
Net assets	21,630	21,630
Represented by:		
Contributed capital	21,630	21,630
Reserves	-	-
Equity	21,630	21,630

NT Build

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

NT Build was established under the *Construction Industry Long Service Leave and Benefits Act* (the Act) which commenced in 2005. The role of NT Build is to administer a scheme, also established under the Act, to provide for the entitlements to long service leave and long service benefits for construction workers.

Audit Opinion

The audit of NT Build for the year ended 30 June 2013 resulted in a qualified independent audit opinion, which was issued on 9 October 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Qualification

The audit opinion on the financial statements of NT Build for the year ended 30 June 2013 was again qualified as follows:

“The statutory obligation to notify NT Build of the commencement of a project rests with the developer. NT Build has implemented a number of mechanisms to help monitor compliance and identify leviable projects and consequently those liable to pay the levy, including monitoring projects where building permits under the Building Act are issued. It is noted that not all types of construction work carried out in the Territory require a building permit.

Due to the nature of the approval process within the Northern Territory Construction industry, there exists some uncertainty regarding the ability of NT Build to identify all construction and maintenance projects that fall within the scope of the Construction Industry Long Service Leave and Benefits Act. As such, I am unable to satisfy myself as to the completeness of the \$9,623,533 disclosed as 'Contributions from levy payers' in the statement of comprehensive income.”

NT Build cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Contributions from levy payers	9,624	12,031
Other	5,173	1,558
Total income	14,797	13,589
Expenditure		
Employee expenses	(788)	(711)
Occupancy costs	(98)	(94)
Depreciation and amortisation	(3)	(3)
Fees and allowances	(30)	(50)
Long service leave benefit payments	(911)	(574)
Long service scheme expense	(4,249)	(7,630)
Other	(496)	(611)
Total expenditure	(6,575)	(9,673)
Surplus/(deficit)	8,222	3,916

NT Build cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	32,624	27,150
Receivables and other current assets	33,273	26,328
Less current liabilities	(1,353)	(734)
Working capital	64,544	52,744
Add non-current assets	8	12
Less non-current liabilities	(31,536)	(27,962)
Net assets	33,016	24,794
Represented by:		
Implementation funding	297	297
Accumulated surplus	32,719	24,497
Equity	33,016	24,794

NT Build cont...

NT Build has commented:

The NT Build Board notes the audit findings and accepts the qualification of the audit opinion.

Throughout the 2012-2013 reporting period, NT Build continued to work closely with the Department of Lands, Planning and the Environment to pursue legislative amendments in order to strengthen NT Build's ability to maximise levy compliance. The Board notes that changes to the current building approval regime will have a limited effect. However, it will enable NT Build to better concentrate its resources on identifying leviable construction undertaken throughout the non-controlled areas of the Northern Territory.

Notwithstanding the above the Board remains confident that a high level of compliance is being achieved, although a level of uncertainty may always exist. As a consequence, NT Build continues to utilise and refine a range of mechanisms to identify construction projects throughout the Northern Territory.

NT Fleet

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

NT Fleet is a Government Business Division that is responsible for the management of the Northern Territory Government's motor vehicle fleet other than vehicles controlled by the Northern Territory Police, Fire and Emergency Services.

NT Fleet's revenues are derived from rental charges levied upon Agencies that lease vehicles.

The host Agency is the Department of Corporate and Information Services.

Audit Opinion

The audit of NT Fleet for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 9 October 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

NT Fleet reported a surplus before tax and dividends of \$15.67 million compared to the prior year's surplus of \$16.19 million.

The decreased surplus before tax and dividends was mainly attributed to a 5 per cent reduction in the number of leased vehicles during 2013 (resulting from whole of government initiatives) and a decrease in income from disposal of vehicles of \$1.02 million, reflecting unfavourable sale prices in 2013.

NT Fleet cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Revenue from vehicle lease rentals	48,208	48,070
Gain on disposal of assets	5,247	6,271
Other revenues	467	553
Total income	53,922	54,894
Expenditure		
Operational costs	(11,897)	(12,139)
Employee expenses	(2,539)	(2,620)
Depreciation and amortisation	(23,820)	(23,788)
Borrowing costs	-	(158)
Total expenditure	(38,256)	(38,705)
Surplus/(deficit) before income tax expense	15,666	16,189
Income tax expense	(4,700)	(4,857)
Surplus/(deficit) after income tax expense	10,966	11,332

NT Fleet cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	18,746	8,602
Receivables and other current assets	1,059	2,181
Less current liabilities	(11,325)	(13,632)
Working capital	8,480	(2,849)
Add non-current assets	93,048	98,890
Less non-current liabilities	(166)	(162)
Net assets	101,362	95,879
Represented by:		
Accumulated funds	100,859	95,376
Capital	503	503
Equity	101,362	95,879

NT Home Ownership

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

NT Home Ownership is a Government Business Division which oversees the Government's home purchase assistance initiatives.

Audit Opinion

The audit of NT Home Ownership for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 11 October 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

In 2012-13, NT Home Ownership achieved a \$0.59 million surplus compared to a \$1.30 million surplus for the previous year. The outcome for 2012-13 reflected:

- an increase of \$3.74 million for interest expenses from borrowings due mainly to additional borrowings of about \$110.89 million during the year. The additional borrowings were used to fund the lending operations of NT Home Ownership, generally in support of the two new products introduced in 2013 (My New Home Loans and My New Home Build); and
- an increase of \$0.83 million for purchases of goods and services due mainly to administration fees paid to TIO (for managing NT Home Ownership's loan activities). TIO's administration fee increased by \$0.72 million for 2012-13 due to the increase in new loans and the increased loan portfolio balance administered by TIO during the year. Other expenses remained consistent with the previous year.

The increased expenses outlined above were offset by:

- an increase of \$1.94 million in interest income due mainly to the increase in the loan portfolio in 2013 following the introduction of the two new loan products referred to above; and
- recognition of a revaluation increment of \$2.08 million following the annual revaluation of NT Home Ownership's shared equity investments.

NT Home Ownership cont...

Tax and Dividends Calculation

As a Government Business Division, NT Home Ownership is required to comply with the Northern Territory Tax Equivalents regime, and as a result it is liable to pay 30 per cent of its accounting profits to the Central Holding Authority as an income tax equivalent. For this purpose accounting profit is defined as net surplus less any abnormal and extraordinary items. The unrealised gain on revaluation of shared equity investments is treated by NT Home Ownership as an extraordinary item. After deducting the gain of \$2.82 million on the revaluation of its investments, NT Home Ownership incurred a taxable loss of \$2.23 million in 2013.

I am of the view that the definition of accounting profit is out-dated in that the terms abnormal and extraordinary items are no longer included in Australian Accounting Standards. As a result I recommended that NT Home Ownership, in conjunction with the Department of Treasury and Finance, update the definition of accounting profit and/or the basis for calculating NT Home Ownership's tax expense.

In addition, NT Home Ownership is also required to pay dividends to the Central Holding Authority based on 50 per cent of its accounting surplus (net of any tax). A dividend was not declared at year end as NT Home Ownership considered it made an accounting loss using the same reasoning that underpinned its tax calculation. I believe the consideration of whether a dividend is payable should be reconsidered in conjunction with the reconsideration of the tax calculation.

NT Home Ownership cont...

Financial Performance for the year

	2013	2012
	\$,000	\$,000
Income		
Other income	43	34
Interest revenue	12,360	10,418
Community Service Obligations (CSO)	815	1,191
Gain on sale of investments	473	291
Gain on sale of land	-	188
Gain on revaluation of investments	2,816	738
Total income	16,507	12,860
Expenditure		
Employee expenses	(229)	(202)
Administration fees	(2,776)	(2,061)
Borrowing costs	(12,237)	(8,495)
Other expenses	(675)	(563)
Total expenditure	(15,917)	(11,321)
Surplus/(deficit) before income tax expense	590	1,539
Income tax expense	-	(240)
Surplus/(deficit) after income tax expense	590	1,299

NT Home Ownership cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	19,896	6,763
Receivables and other current assets	3,357	3,242
Less current liabilities	(9,405)	(8,416)
Working capital	13,848	1,589
Add non-current assets	314,569	215,688
Less non-current liabilities	(289,795)	(179,245)
Net assets	38,622	38,032
Represented by:		
Accumulated surplus	15,877	15,287
Contributed equity	22,745	22,745
Equity	38,622	38,032

NT Home Ownership cont...

NT Home Ownership has commented:

The Auditor-General recommended that NT Home Ownership, in conjunction with the Department of Treasury and Finance, update the definition of accounting profit and/or the basis for calculating NT Home Ownership's tax expense. NT Home Ownership has applied the provisions of the Northern Territory Tax Equivalents regime, which is administered by the Department of Treasury and Finance, in calculating its year end position.

NT Home Ownership has discussed the Audit findings and analysis of the Financial Statements for the Year Ended 30 June 2013 with the Department of Treasury and Finance and highlighted the Auditor-General's recommendation to update the definition of accounting profits

Power and Water Corporation

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Power and Water Corporation is the primary provider of electricity generation and distribution services, and the sole provider of water and sewerage services in the Northern Territory.

The Corporation became a Government Owned Corporation on 1 July 2002 following the commencement of the *Government Owned Corporations Act* in December 2001.

The Corporation controls one fully owned subsidiary company (Indigenous Essential Services Pty Ltd) and holds 50 per cent of the ordinary shares issued by BGP Tenure Holdings Pty Ltd.

Audit Opinion

The audit of Power and Water Corporation for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 30 September 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

For the year ended 30 June 2013, the Corporation made a profit before tax of \$41.00 million, which is an improvement on the prior year where the Corporation reported a profit of \$0.06 million.

Total revenue for the year increased by \$102.32 million to \$692.63 million and this increase was attributable to higher tariffs that took effect at the commencement of the 2013 calendar year. Notwithstanding the significant increase of \$83.41 million in revenues from the provision of electricity, water and sewerage, cash received from customers only increased by \$17.94 million.

Power and Water Corporation cont...

The difference between revenue earned and cash received was attributable to policy decisions concerning the extent and timing of tariff increases that led to some difficulties in billing with consequent delays in invoicing and the receipt of cash. This in turn led to a decline in cash from operations when compared with the prior year which, when taken in conjunction with reduced cash flows from financing activities and the maintenance of capital spending when compared with the prior year, resulted in a decline of \$79.22 million in cash held at 30 June 2013.

Total expenses for the year were \$651.63 million compared with \$590.24 million for the prior year. The increase of \$61.39 million included an expense of \$24.62 million as the result of the introduction of the Commonwealth's carbon tax.

Events Since the Completion of the Audit

On 13 December 2013 the Deputy Chief Minister announced that the Corporation is to be restructured and that is expected to result in two new corporations being formed to manage electricity retail and generation. The new corporations are anticipated to commence operations on 1 July 2014.

Power and Water Corporation cont...

Financial Performance for the year of the Consolidated Entity

	2013	2012
	\$'000	\$'000
Income		
Sale of goods	528,717	438,286
Rendering of services	128,742	121,023
Interest revenue	3,104	5,259
Other	129,008	116,103
Total income	789,571	680,671
Expenditure		
Raw materials and consumables used	(283,823)	(242,888)
Finance costs	(69,388)	(64,673)
Repairs and maintenance expenses	(94,577)	(88,232)
Employee expenses	(100,297)	(102,280)
External service agreements	(34,751)	(31,574)
Depreciation and amortisation	(95,167)	(79,681)
Impairment of noncurrent assets	-	(374)
Other expenses	(70,567)	(71,690)
Total expenditure	(748,570)	(681,392)
Surplus/(deficit) before income tax expense	41,001	(721)
Income tax benefit/(expense)	(11,133)	(82)
Surplus/(deficit) after income tax expense	29,868	(803)

Power and Water Corporation cont...

Financial Position at year end of the Consolidated Entity

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	65,715	149,267
Receivables and other current assets	188,781	125,379
Less current liabilities	(232,468)	(173,743)
Working capital	22,028	100,903
Add non-current assets	2,154,796	1,936,742
Less non-current liabilities	(1,581,468)	(1,472,157)
Net assets	595,356	565,488
Represented by:		
Retained profits	442,774	412,906
Contributed equity	152,582	152,582
Equity	595,356	565,488

Selected Agencies

Fuel Cards

Background

The objective of this assessment was to examine transactions for the purchase of fuel, using both fuel cards and other methods, that were undertaken by the Aboriginal Areas Protection Authority, the Department of the Chief Minister, and the Department of the Legislative Assembly between 1 July 2012 and 30 June 2013 in order to identify transactions that displayed unusual characteristics or characteristics that might suggest the existence of fraud, and to provide information about those transactions to the Agencies' management for review and follow-up. Fuel cards issued to officers of the Agencies, pool vehicles and all Members of the Legislative Assembly were included in the assessment.

Overall Assessment

It should be noted that this assessment did not constitute an audit.

Aboriginal Areas Protection Authority and the Department of the Chief Minister

Based upon the assessment undertaken by my office and discussions with staff representing the Aboriginal Areas Protection Authority (the Authority), and the Department of the Chief Minister (DCM) the probability of significant fraudulent transactions having occurred during the period assessed was very low.

Department of the Legislative Assembly

Based upon the assessment undertaken by my office and discussions with staff representing the Department of the Legislative Assembly (DLA), the probability of significant fraudulent transactions having occurred during the period assessed was low.

Selected Agencies cont...

Recommendations

I recommend that:

- detailed monthly reviews of fuel purchases commence with particular attention being paid to ascertaining the reasons for small fuel purchases and missing, or incorrect, odometer readings;
- the use of fuel cards other than those provided as part of a whole-of-government contract be curtailed; and
- the Agencies should also consider whether the distance travelled by each vehicle (other than vehicles allocated to a Member of the Legislative Assembly) is reasonable when taking into account the business activities, and reasonable private use, of that particular vehicle.

Key Findings

The following table outlines the vehicles identified as being in use at some time during the period 1 July 2012 to 30 June 2013 and the related fuel expenditure incurred during that period:

Department	Vehicles	Fuel Expenditure
Aboriginal Areas Protection Authority	15	\$43,320
Department of the Chief Minister	117	\$134,832
Department of the Legislative Assembly	35	\$114,165

There was no evidence that any of the Agencies had conducted regular, detailed analysis of the fuel purchases during the year and it appeared that reliance was placed on a comparison of the monthly total fuel account to budgets or to prior expenditure. There was also no detailed analysis or review of the kilometres travelled or the nature of the transactions incurred.

Multiple Fuel Cards

Within DLA there were many cases where a combination of Ausfuel, Shell, and United fuel cards were issued in respect of individual vehicles (generally those allocated to Members of the Legislative Assembly (MLA's)) and used to purchase fuel. Added to this, Vehicle Maintenance Orders (VMOs) were also used, and MLA's also sought reimbursement for fuel purchases.

Selected Agencies cont...

I have not been presented with compelling explanations as to why multiple cards have been issued against individual vehicles, particularly when taking into consideration that Ausfuel cards are accepted by Shell outlets.

Perusal of United fuel card usage at DLA highlighted that there were Ausfuel outlets within a reasonable distance of each United outlet and this raises the question of why DLA considers it necessary to permit the use of United cards by MLAs.

Vehicle maintenance orders

Whilst acknowledging the need for the occasional use of VMOs in the more remote areas of the Northern Territory I noted that, at DLA in particular, the VMOs are rarely, if ever, completed correctly. For example:

- In one case the fuel supplier was listed as the NT Parliament while the Agency was listed as the Roper Store. There were no addresses for the supplier or agency and no odometer reading provided. While the day and month were noted on the document, the year was not.
- Another VMO did not identify the fuel supplier, did not include an odometer reading or the quantity of fuel purchased.
- The odometer reading was missing on most of the VMOs used for fuel purchases.
- Despite VMOs including a statement to the effect that expenditure is not to exceed \$200, many purchases exceeded that amount.

Transferred vehicles

There were 6 vehicles recorded as being transferred from DCM to another Agency during the year, but fuel purchases continued to be recorded against DCM for a period following the transfers. These purchases should have been allocated to the Agency that received the vehicles in question or the value recovered by DCM.

Selected Agencies cont...

Sold vehicles

Of the 35 fuel cards that were in use at DLA there were 3 Shell cards that were used to refuel vehicles after those vehicles had been sold. Specifically:

- Fuel had been purchased for vehicle DLA Car 028[♦] using a Shell card until the time the vehicle was returned to NT Fleet in February 2013 prior to its sale in March 2013. Fuel expenses were still being charged to this vehicle's fuel card in June 2013. It appears that the custodian of the vehicle removed the Shell card from DLA Car 028[♦] and used it to refuel vehicle DLA Car 016[♦]. Both vehicles are described as being a Toyota Prado.
- Vehicle DLA Car 019[♦] was returned to NT Fleet in December 2011, but fuel was being purchased for this vehicle, using a Shell card, as late as August 2012. It appears that the custodian of the vehicle removed the Shell card from DLA Car 019[♦] and used it to refuel another government vehicle.
- Vehicle DLA Car 009[♦] was returned to NT Fleet in May 2013, but fuel was being purchased for this vehicle, using a Shell card, as late as June 2013. It appears that the custodian of the vehicle removed the Shell card from DLA Car 009[♦] and used it to refuel another government vehicle.

[♦] Vehicle allocated to a Member of the Legislative Assembly or their office

Selected Agencies cont...

Vehicles Unable to be Analysed

Department of the Chief Minister

Of the 121 fuel cards that were in use at DCM there were 13 where there was insufficient data to permit a reasonable analysis to be performed. Specifically:

- three (DCM Car 057[♦], DCM Car 063, and DCM Car 093) were considered to represent reasonable exceptions in that there was only one transaction recorded for the vehicle with the odometer reading being provided;
- four were 'any vehicle' cards (identified as Anyveh01, Anyveh02, CMD006 and Govt Hse); and
- six (DCM Car 115[♦], DCM Car 043, DCM Car 086[♦], DCM Car 025, DCM Car 064[♦], DCM Car 035) could not be analysed due to the frequency of errors and/or omissions, detailed below:
 - DCM Car 115[♦] was missing the odometer reading for 32 per cent of the fuel transactions, with no odometer being recorded after 11 March 2013 to 30 June 2013;
 - DCM Car 043 was missing the odometer reading for 16 per cent of the transactions with no odometer reading being recorded after 16 May 2013 to 30 June 2013;
 - DCM Car 025 was missing the odometer reading for 36 per cent of the transactions and the odometer readings that were provided give the impression that during January and February 2013 there may have been 2 vehicles using the fuel card allocated to this vehicle;

[♦] Vehicle allocated to a Member of the Legislative Assembly or their office

Selected Agencies cont...

- DCM Car 086[♦] exhibited an unusual sequence of odometer readings which, given that they were rounded to the nearest one hundred kilometres as shown below, suggests that they may not be reliable:

Date	Odometer	Date	Odometer
4 July, 2012	12,000 km	6 September, 2012	15,800 km
9 July, 2012	12,000 km	8 September, 2012	16,000 km
24 July, 2012	12,500 km	9 September, 2012	16,400 km
5 August, 2012	12,800 km	11 September, 2012	17,000 km
14 August, 2012	13,500 km	14 September, 2012	17,000 km
20 August, 2012	13,000 km	21 September, 2012	17,000 km
20 August, 2012	14,200 km	23 September, 2012	17,300 km
23 August, 2012	14,300 km	29 September, 2012	17,600 km
29 August, 2012	15,300 km		

- DCM Car 064[♦] had only one transaction recorded for the vehicle and no odometer reading was provided; and
- DCM Car 035 was missing the odometer reading for 60 per cent of the transactions.

[♦] Vehicle allocated to a Member of the Legislative Assembly or their office

Selected Agencies cont...

Department of the Legislative Assembly

There was insufficient data to permit a reasonable analysis to be performed for 7 cards in use at DLA:

- one (DLA Car 030) was considered to represent a reasonable exception in that there was only one transaction recorded for the vehicle with the odometer reading being provided for that purchase; and
- the transactions made against six cards could not be analysed due to the frequency of errors and/or omissions.

The six cards at DLA that were unable to be analysed due to the frequency of errors and/or omissions were:

Vehicle Registration	Transactions recorded	Percentage of erroneous/missing odometer readings
DLA Car 029 [♦]	11	100%
DLA Car 009 [♦]	60	97%
DLA Car 034 [♦]	19	95%
DLA Car 028 [♦]	14	79%
DLA Car 002 [♦]	25	68%
DLA Car 033 [♦]	17	59%

[♦] Vehicle allocated to a Member of the Legislative Assembly or their office

Selected Agencies cont...

Unusual Transactions

Aboriginal Areas Protection Authority

In relation to the 237 individual transactions recorded against the fuel cards by the Authority there were 4 instances where less than 15 litres of fuel were recorded as being purchased. An example of this was vehicle AAPA Car 006 against which 6.82 litres of fuel was purchased and at the same time and date there was a further purchase of 44.73 litres.

Purchases of this size appear unusual in the context of motor vehicle usage, but in the Authority's case it is considered possible that the purchases in question were undertaken by staff members who were 'topping up' fuel tanks prior to long trips or prior to returning a car to the car pool.

Department of the Chief Minister

In relation to the 2,070 individual transactions recorded against the fuel cards at DCM:

- There were 22 instances where less than 15 litres of fuel was recorded as being purchased. As noted above purchases of this size appear unusual in the context of motor vehicle usage.
- The following transactions are highlighted as being particularly unusual (either individually or as part of a pattern of transactions):
 - Vehicle DCM Car 010 – 133 kilometres travelled followed by a purchase of 27.56 litres of fuel. Three minutes later a further 27.56 litres was recorded as having being purchased.
 - Vehicle DCM Car 068 – Two small purchases of fuel (17.56 litres and 17.83 litres) on the same day without odometer readings being provided.
 - Vehicle DCM Car 109[♦] – Two purchases on the same day with one being for a very small quantity (5.56 litres) without an odometer reading being provided for the first purchase.

[♦] Vehicle allocated to a Member of the Legislative Assembly or their office

Selected Agencies cont...

- Vehicle DCM Car 025 – It appears that the vehicle was filled with more fuel (124.47 litres) than the fuel tank is capable of holding (which is approximately 65 litres). It was also noted that the odometer reading recorded was incorrect.
- Vehicle DCM Car 065 – Based on odometer readings provided, it appears that the vehicle required 64.25 litres of fuel to travel 43 kilometres.

Department of the Legislative Assembly

In relation to the 1,036 individual transactions recorded against the fuel cards at DLA:

- There were four instances where it appeared that unleaded fuel was purchased in respect of a diesel engine vehicle. It is possible that two of these purchases were for a replacement vehicle. However, on the 4th of September 2012 the vehicle was booked for servicing in order to have contaminated fuel drained so I consider it likely that at least the first purchase in respect of this vehicle involved the purchase of incorrect fuel.

During the course of gathering data as part of this assessment DLA identified that a reimbursement had been incorrectly claimed and paid relating to the purchase of an Iced Coffee. This has since been recouped from the MLA.

Vehicle DLA Car 021* – four purchases of unleaded fuel for a diesel vehicle.

Date	Docket	Odometer	Quantity	\$
3 September 2012	Reimburse	Not supplied	64.18 litres	\$98.64
8 September 2012	Reimburse	Not supplied	51.33 litres	\$85.95
8 September 2012	Reimburse	Not supplied	40.28 litres	\$61.99
8 September 2012	Darwin	Iced Coffee	600 ml	\$3.90
4 April 2013	Reimburse	Not supplied	52.42 litres	\$82.25

* Vehicle allocated to a Member of the Legislative Assembly or their office

Selected Agencies cont...

- There were several instances where less than 15 litres of fuel was purchased. Some of these purchases are further detailed below as they occurred at the same date/time as other purchases.
- The following transactions recorded for DLA are highlighted as being particularly unusual (either individually or as part of a pattern of transactions):

DLA Car 021[♦] – VMO for exactly \$200 with no fuel provider or quantity of fuel purchased being stated.

Date	Location	Odometer	Quantity	\$
21 November 2012	Unknown	90,015 km	Unknown	\$200.00

DLA Car 021[♦] – three occasions were noted where two fuel purchases were made on the same day, at the same location without all odometer readings being provided.

Date	Location	Odometer	Quantity	\$
10 December 2012	Katherine	Not stated	64.09 litres	\$101.07
10 December 2012	Katherine	Not stated	113.19 litres	\$178.50
4 February 2013	Katherine	55,867 km	70.74 litres	\$111.56
4 February 2013	Katherine	Not stated	121.82 litres	\$192.11
15 February 2013	Katherine	Not stated	133.41 litres	\$194.62
15 February 2013	Katherine	Not stated	70.65 litres	\$111.42

DLA Car 026[♦] – two purchases on the 26th of January 2013 at the same time.

Date	Docket	Odometer	Quantity	\$
26 January 2013	11101	71,750 km	111.80 litres	\$187.48
26 January 2013	11101	71,750 km	1.00	\$189.95

[♦] Vehicle allocated to a Member of the Legislative Assembly or their office

Selected Agencies cont...

DLA Car 014[♦] – two instances where purchases of fuel and unknown items were made on the same day.

Date	Location	Odometer	Quantity	\$
13 April 2013 at 19:20	Wishart	5,616 km	44.37 litres	\$70.68
13 April 2013 at 19:20	Wishart	5,616 km	1 unknown	\$12.95
19 May 2013 at 19:06	Wishart	7,591 km	36.67 litres	\$56.22
19 May 2013 at 19:07	Wishart	7,591 km	1 unknown	\$16.10

DLA Car 011[♦] – two purchases 159 km south of the Northern Territory border over the Christmas/New Year period.

Date	Location	Odometer	Quantity	\$
29 December 2012	Marla SA	37,738 km	44.46 litres	\$69.18
19 January 2013	Marla SA	43,377 km	34.48 litres	\$53.60

DLA Car 019[♦] – two purchases on the same day with the same odometer reading.

Date	Location	Odometer	Quantity	\$
27 August 2012	Berry Springs	47,523 km	12.95 litres	\$20.58
27 August 2012	Berry Springs	47,523 km	111.83 litres	\$174.82

[♦] Vehicle allocated to a Member of the Legislative Assembly or their office

Selected Agencies cont...

DLA Car 009* – three instances of fuel purchases on the same day without odometer readings being provided.

Date	Location	Odometer	Quantity	\$
4 July 2012	Unknown	Not stated	72.24 litres	\$106.86
4 July 2012	Unknown	Not stated	84.40 litres	\$125.43
21 July 2012	Unknown	Not stated	94.11 litres	\$144.69
21 July 2012	Alice Springs	Not stated	48.63 litres	\$74.77
23 July 2012	Alice Springs	Not stated	75.41 litres	\$115.31
23 July 2012	Alice Springs	Not stated	76.47 litres	\$116.94

DLA Car 001 – purchases of fuel and an unknown item made on the same day at the same location with the same odometer readings being provided.

Date	Location	Odometer	Quantity	\$
29 April 2013	Tennant Creek	43,135 km	1 unknown	\$44.49
29 April 2013	Tennant Creek	43,135 km	53.25 litres	\$89.30

DLA Car 022* – two fuel purchases on the same day without all odometer readings being provided.

Date	Location	Odometer	Quantity	\$
30 September 2012	Katherine	Not stated	53.78 litres	\$80.08
30 September 2012	Katherine	9,700 km	80.43 litres	\$126.57

* Vehicle allocated to a Member of the Legislative Assembly or their office

Selected Agencies cont...

- The following fuel purchases appear to be higher than the fuel capacity of the vehicle.

DLA Car 021[♦] – tank capacity of approximately 95 litres or, with long range tanks, 185 litres.

Date	Odometer	Quantity
22 September 2012	12,500 km	206.96 litres

DLA Car 019[♦] – tank capacity of approximately 87 litres or, with long range tanks, 150 litres. Given the age of the vehicle, and both prior and subsequent odometer readings the reading provided on this date was incorrect.

Date	Odometer	Quantity
13 August 2012	441,972 km	189.89 litres

DLA Car 002[♦] – tank capacity of approximately 87 litres or, with long range tanks, 150 litres.

Date	Odometer	Quantity
14 December 2012	33,092 km	187.72 litres

[♦] Vehicle allocated to a Member of the Legislative Assembly or their office

Selected Agencies cont...

Missing or Incorrect Odometer Readings

There were numerous instances of anomalous transactions recorded by the Agencies as outlined below:

Department	Transaction Errors	Population	% of errors at Agency level
Aboriginal Areas Protection Authority	23	237	10%
Department of the Chief Minister	266	2,070	13%
Department of the Legislative Assembly	376	1,036	36%

Anomalous information included:

- Missing odometer readings possibly due to:
 - the driver failing to provide an odometer reading;
 - the console operator not recording the odometer reading provided;
 - the accounts department of the fuel supplier not providing the odometer reading on the invoice; or
 - the fuel card not allowing the odometer reading to be recorded.
- Incorrect odometer readings, for example a reading that was lower than the previous reading or is obviously incorrect (e.g. a reading in excess of 100,000 kilometres). This may be due to:
 - the driver misreading the odometer;
 - the driver guessing the reading;
 - the console operator mishearing the reading; or
 - the console operator mistyping the reading.

Selected Agencies cont...

Acceptable error rate

In analysing the transaction errors I consider an error rate of less than 5 per cent to be reasonable. I also consider an error rate between 6 per cent and 25 per cent to be reasonable when taking into account the probability of some console operator error occurring, however I would recommend that the users of the fuel cards for these vehicles be reminded of the need to provide accurate odometer readings to the fuel supplier.

Even taking into account the probability of some console operator or supplier error I consider an error rate of 26 per cent or greater to be unacceptable.

Aboriginal Areas Protection Authority

7 vehicles at the Authority had what appeared to be the correct odometer readings on more than 95 per cent of the transactions.

6 vehicles had missing or incorrect odometer readings for between 6 per cent and 25 per cent of the transactions.

For the remaining 2 vehicles, errors were noted on more than 26 per cent of the transactions, but there were only 3 transactions for each of these vehicles. Thus the error rate represents only 1 missing odometer reading.

Department of the Chief Minister

44 DCM vehicles had what appeared to be the correct odometer readings on more than 95 per cent of the transactions.

58 vehicles had missing or incorrect odometer readings for between 6 per cent and 25 per cent of the transactions.

For the remaining 19 vehicles errors were noted on more than 26 per cent of the transactions.

Department of the Legislative Assembly

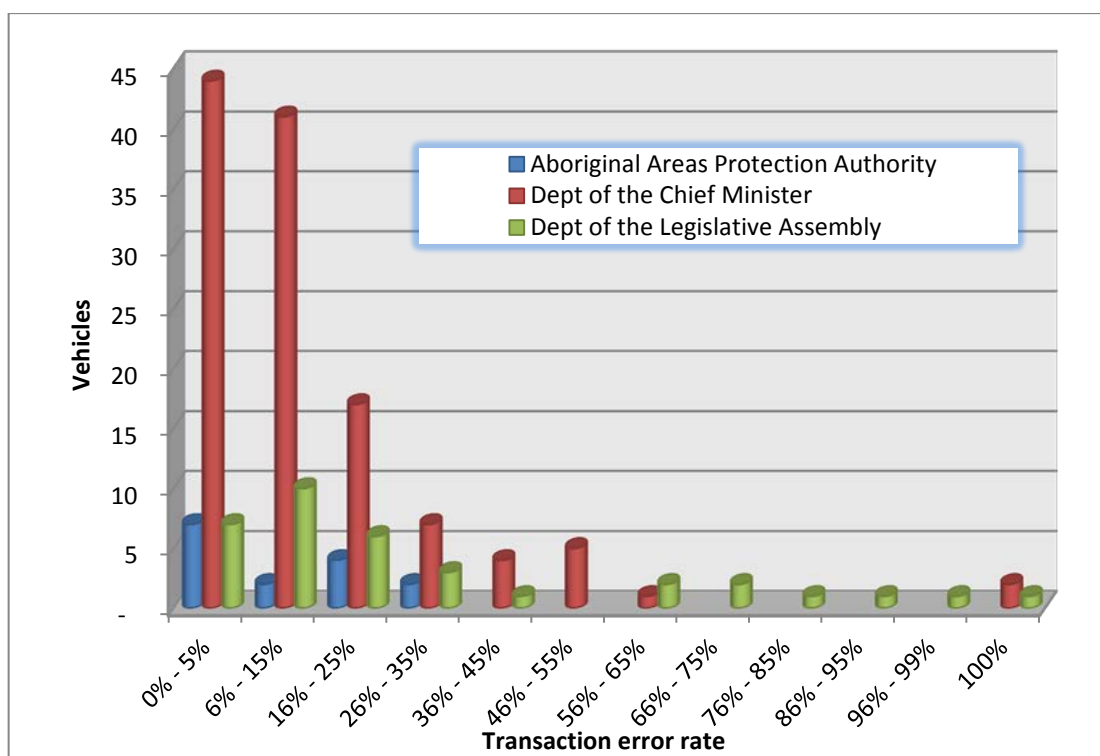
Only 7 DLA vehicles had what appeared to be the correct odometer readings on more than 95 per cent of the transactions.

16 vehicles had missing or incorrect odometer readings for between 6 per cent and 25 per cent of the transactions.

For the remaining 12 vehicles errors were noted on more than 26 per cent of the transactions.

Selected Agencies cont...

The graph below summarises the distribution of missing or incorrect odometer readings for each of the 3 agencies:



Distance Travelled

Vehicles allocated to Members of the Legislative Assembly are provided for “*parliamentary business use; electorate business use; and private use*”¹. Whereas vehicles allocated to Executive Contract officers are “*available for reasonable personal use*”². Taking the relevant Determination into account there appears to be no limitation on the private use of vehicles by Members of the Legislative Assembly.

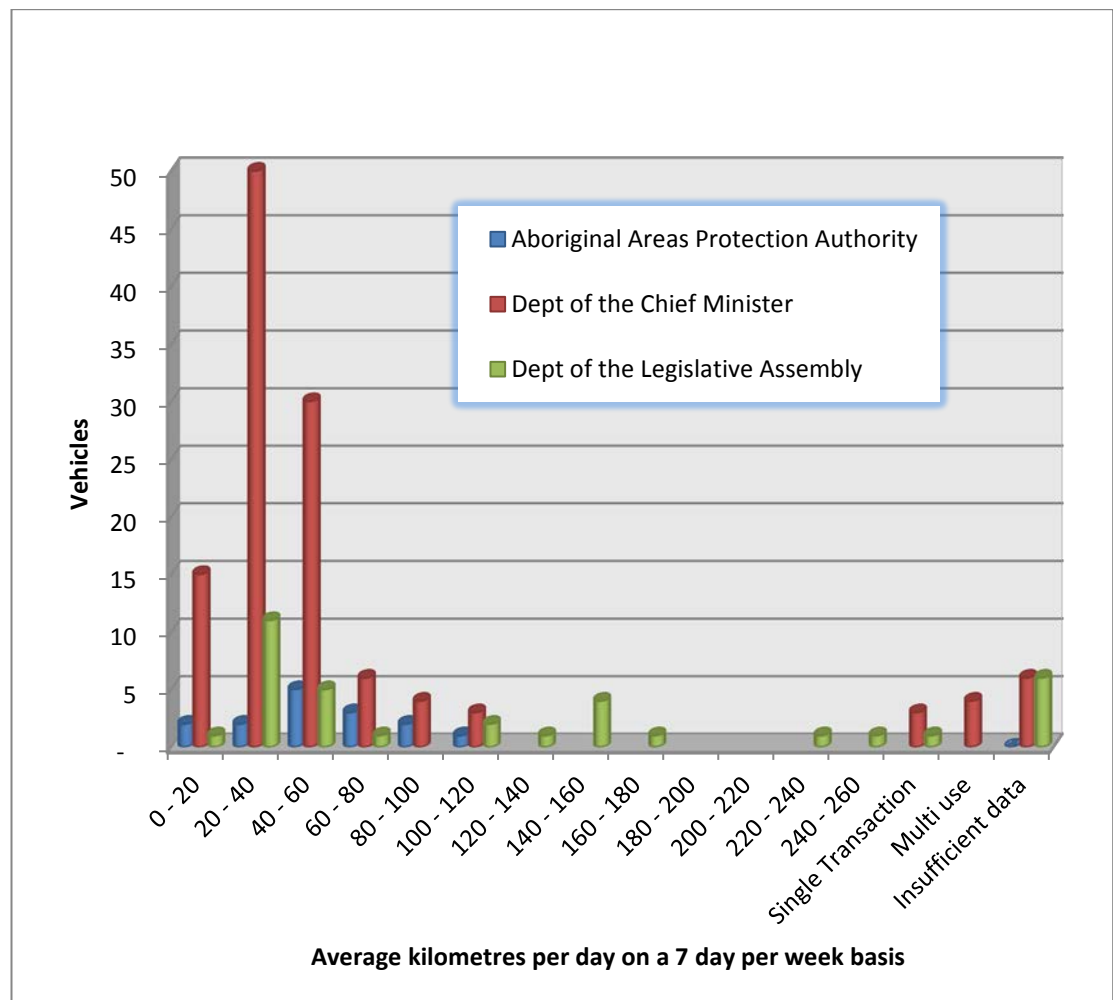
¹ Northern Territory of Australia, Remuneration Tribunal, Report on the Entitlements of Assembly Members and Determination No. 1 of 2012

² *Public Sector Employment and Management Act*, Determination 13 of 2011

Selected Agencies cont...

The average kilometres per day travelled in respect of the 35 DLA, 117 DCM vehicles, and the 15 vehicles allocated to the Authority that were able to be analysed, is represented in the graph below, taking into account that there are 4 additional 'multi use' fuel cards at DCM.

Vehicles that travelled in excess of 60 kilometres per day based on a 7 day week (84 kilometres per day based on a 5 day week) may represent anomalies.



Selected Agencies cont...

Department of the Chief Minister

As noted previously for DCM there were three cards against which only a single transaction was recorded, four multi-use cards, and six cards allocated to vehicles where there was insufficient data to enable the average kilometres travelled per day to be calculated.

Of the remaining 108 vehicles, 13 vehicles travelled in excess of 60 kilometres per day based on a 7 day week (84 kilometres per day based on a 5 day week).

Vehicle	Odometer First Reading	Odometer Last Reading	Distance travelled	Days	Average km per day	Average km per work day
DCM Car 066*	22,522 km	25,785 km	3,263 km	30	109 km	153 km
DCM Car 037	21,097 km	29,754 km	8,657 km	82	106 km	148 km
DCM Car 105*	1,161 km	38,075 km	36,914 km	361	102 km	143 km
DCM Car 084	10,172 km	23,848 km	13,676 km	150	91 km	127 km
DCM Car 078	5,000 km	36,314 km	31,314 km	351	89 km	125 km
DCM Car 101*	33,603 km	38,478 km	4,875 km	57	86 km	120 km
DCM Car 089	10,680 km	23,282 km	12,602 km	147	86 km	120 km
DCM Car 096*	10,940 km	34,330 km	23,390 km	305	77 km	108 km
DCM Car 016	11,966 km	38,385 km	26,419 km	351	75 km	105 km
DCM Car 099*	234 km	19,131 km	18,897 km	282	67 km	94 km
DCM Car 040*	16,785 km	39,333 km	22,548 km	343	66 km	92 km
DCM Car 022	15,655 km	24,783 km	9,128 km	147	62 km	87 km
DCM Car 054	12,460 km	25,547 km	13,087 km	217	60 km	84 km

* Vehicle allocated to a Member of the Legislative Assembly or their office

Selected Agencies cont...

Department of the Legislative Assembly

As noted previously for DLA there was one card against which only a single transaction was recorded, and six cards allocated to vehicles where there was insufficient data to enable the average kilometres travelled per day to be calculated, leaving 28 vehicles that were able to be analysed.

11 of the 28 vehicles able to be analysed travelled in excess of 60 kilometres per day based on a 7 day week (or 84 kilometres per day based on a 5 day week).

Vehicle	Odometer First Reading	Odometer Last Reading	Distance travelled	Days	Average km per day	Average km per work day
DLA Car 021*	4,230 km	86,163 km	81,933 km	330	248 km	347 km
DLA Car 019*	35,064 km	48,035 km	12,971 km	58	224 km	314 km
DLA Car 016*	0 km	21,060 km	21,060 km	125	168 km	235 km
DLA Car 015*	60 km	18,400 km	18,340 km	118	156 km	218 km
DLA Car 026*	48,520 km	74,693 km	26,173 km	170	154 km	216 km
DLA Car 001	1,595 km	55,620 km	54,025 km	362	149 km	209 km
DLA Car 023*	19,814 km	70,740 km	50,926 km	362	140 km	196 km
DLA Car 006*	58,670 km	65,338 km	6,668 km	50	133 km	186 km
DLA Car 011*	21,050 km	45,481 km	24,431 km	211	116 km	162 km
DLA Car 022*	135 km	39,668 km	39,533 km	346	114 km	160 km
DLA Car 014*	743 km	9,834 km	9,091 km	138	66 km	92 km

* Vehicle allocated to a Member of the Legislative Assembly or their office

Selected Agencies cont...

Fuel Efficiency

The lack of consistent odometer readings for each vehicle hampered my ability to analyse the fuel efficiency of vehicles and therefore there I am unable to highlight particular matters in relation to the fuel efficiency.

Selected Agencies cont...

The Department of the Legislative Assembly has commented:

The following comments are provided for incorporation into the February 2014 Report to the Legislative Assembly in relation to the audit of Selected Agencies - Fuel Cards, in so far as the assessment applies to the Department of the Legislative Assembly (DLA).

1. Status of Assessment

It is noted that Auditor-General has advised that this assessment does not constitute an audit.

2. Recommendations

The DLA accepts the three recommendations made by the Auditor-General and notes as follows:

Monthly Reviews of Fuel Purchases

As of February 2014 Members of the Legislative Assembly who opt to receive a government supplied vehicle will receive a monthly report on fuel card use relating to the vehicle in their custody (specifically odometer readings at point of sale and small transactions) and the Speaker will table reports on Member fuel card use quarterly in the Legislative Assembly.

Fuel card use by DLA staff will also be monitored on a monthly basis.

Use of Fuel Cards other than those provided as part of a whole of government Contract

Action will be taken during February 2014 to discontinue use of Shell cards by Members of the Legislative Assembly.

The Report's comment that Perusal of United fuel card usage at DLA highlighted that there were Ausfuel outlets within a reasonable distance of each United outlet will be the subject of further consideration and analysis within the DLA and briefing to the Speaker for consideration as to whether further change is warranted.

The DLA comments further on this matter below.

Selected Agencies cont...

The Department of the Legislative Assembly has commented (cont...):

Distance Travelled and Reasonable Use

Except in the case of Members of the Legislative Assembly who are provided government supplied vehicles for parliamentary business use, electorate business use and private use on request under the Remuneration Tribunal Determination (RTD Clause 7.1) the DLA will monitor the distance travelled in the context of 'reasonable use' of vehicles made available to officers of the Department, noting the existing conditions of the employment contract for Executive Contract Officers permits reasonable private use with no limit specified on fuel purchases or distance travelled within the Northern Territory.

3 DLA Comment on use of Multiple Fuel Cards by Members of the Legislative Assembly

The Report contains a statement from the Auditor-General as follows:

“I have not been presented with compelling explanations as to why multiple cards have been issued against individual vehicles particular when taking into consideration the Ausfuel cards are accepted by Shell outlets.”

The Office of the Auditor-General was provided with an explanation (during December 2013) of why multiple cards have been issued to Members. While subjectively considered not compelling, it is worth re-stating.

The explanation is:

- *Members of the Legislative Assembly have a vehicle entitlement available pursuant to Clause 7.1 of the Remuneration Tribunal Determination No 1 of 2013 (RTD) for electorate business, parliamentary business and for personal use.*
- *Members are not government (NTG) employees.*
- *NTG employee vehicles are issued the standard government contract fuel card which during the assessment period (from 1 July 2012 to 30 June 2013) was a BP card for the first six months.*
- *During the assessment period it is understood that (unlike the new Ausfuel card) the BP card was not routinely accepted at Shell outlets.*

Selected Agencies cont...

The Department of the Legislative Assembly has commented (cont...):

- *The BP card had insufficient coverage for remote and Territory-wide Member use.*
- *Members are provided more fuel card options because Members routinely travel Territory-wide and require maximum coverage.*
- *By December 2012 Ausfuel cards could be used at 71 outlets in the Northern Territory which was to be extended to 91 outlets by December 2013*
- *Members' entitlements are administered by the Speaker pursuant to the RTD and the Speaker's capacity to make administrative arrangements under the authority of the RTD includes additional fuel cards being made available.*
- *During October 2012, the Speaker requested the DLA offer Members an additional fuel card (United) to ensure Member convenience when on the road for electorate and parliamentary business.*
- *At the time neither Speaker nor the Clerk or Deputy Clerk advising the Speaker, were aware of the proposed NTG contract change from BP to Ausfuel which would result in more coverage.*

Notwithstanding the above explanation, the DLA in consultation with the Speaker has noted the overlap in Shell cards and Ausfuel cards identified by the Auditor-General which came into effect halfway through the assessment period and has decided to discontinue Shell cards.

When undertaking analysis concerning whether to retain United cards, the convenience for Members to undertake their duties on behalf of their constituents will be the key consideration as to whether Members can rely solely on Ausfuel sites to undertake their work across the Northern Territory.

Selected Agencies cont...

The Department of the Legislative Assembly has commented (cont...):

4. DLA Comment on Use of Vehicle Maintenance Orders (VMOs)

The lack of Territory-wide fuel card coverage (outlined above) has previously resulted in the use of Vehicle Maintenance Orders (VMOs) for purchase of fuel at remote locations.

The Speaker determined prior to the DLA receiving the Draft Report that VMOs are no longer available for Members to purchase fuel and Members have been advised accordingly.

5. DLA Comment on Fuel Cards and Sold Vehicles

The Report raises a concern about fuel cards being used for new vehicles after the vehicle they were issued against was sold.

To avoid this, the DLA now requires the surrender of the previous fuel card before a new vehicle will be issued. While this may result in some inconvenience to Members given the time it may take for NT Fleet to have new fuel cards issued for their new vehicle, any legitimate cost incurred will be reimbursed.

6. Distance Travelled

Notwithstanding that recommendation three in the Report specifically excludes Members of the Legislative Assembly some of the content of the Report potentially casts a shadow where it says:

“Vehicles that travelled in excess of 60 kilometres per day based on a 7 day week may represent anomalies.”

It is not clear what this means nor what anomalies may be represented.

Members have no set working days (certainly not restricted to five days a week) and the RTD does not limit vehicle usage by distance travelled so as not to constrain Members when conducting their duties.

Territory Discoveries

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

Territory Discoveries is a Government Business Division established to increase the exposure of, and potential economic returns to, the Northern Territory tourism industry, particularly small to medium sized operators. Territory Discoveries develops travel, tour and accommodation packages for sale in domestic and international markets. It promotes the sale of these packages through the retail travel network and direct to the consumer via a range of advertising and marketing mechanisms including brochure production, internet sites and trade and consumer journals.

Territory Discoveries' host Agency is Tourism NT.

Audit Opinion

The audit of Territory Discoveries for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 27 September 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Events Since the Completion of the Audit

On 19 November 2013 the Minister for Tourism announced that the AOT Group will take over the licence to operate Territory Discoveries under an agreement that will run for three years. The AOT Group will have the option to take full ownership of Territory Discoveries after three years following the expiry of the licencing agreement.

Territory Discoveries cont...

Financial Performance for the year

	2013	2012
	\$'000	\$'000
Income		
Government grants	1,403	1,403
Sales of goods and/or services	2,932	2,810
Community service obligation	1,041	1,016
Other	228	311
Total income	5,604	5,540
Expenditure		
Operational costs	(3,455)	(3,305)
Employee expenses	(2,191)	(2,277)
Depreciation and amortisation	(1)	(1)
Total expenditure	(5,647)	(5,583)
Surplus/(deficit) before income tax expense	(43)	(43)
Income tax expense	-	-
Surplus/(deficit) after income tax expense	(43)	(43)

Territory Discoveries cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Cash and cash equivalents	7,279	6,684
Receivables and other current assets	65	37
Less current liabilities	(4,152)	(3,483)
Working capital	3,192	3,238
Add non-current assets	10	11
Less non-current liabilities	(19)	(23)
Net assets	3,183	3,226
Represented by:		
Accumulated losses	(2,494)	(2,451)
Contributed equity	5,677	5,677
Equity	3,183	3,226

Territory Insurance Office

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Territory Insurance Office (TIO) is established by the *Territory Insurance Office Act* and the functions of TIO are to:

- act as an insurer in respect of the assets and prospective liabilities of the Territory and statutory corporations;
- transact workers compensation insurance in respect of persons required by the *Workers Rehabilitation and Compensation Act*, or any Act replacing that Act;
- administer a Motor Accident Compensation (MAC) scheme in accordance with an Act or an agreement between the Office and the person or body responsible for the scheme;
- provide such financial services as are approved by the Minister;
- transact such general business of insurance as the Minister directs; and
- promote and participate in the promotion of road and industrial safety.

The liabilities of TIO that arise from contracts of insurance, entered into by TIO, from deposits made with TIO and from liabilities that arise from motor accident compensation activities conducted by TIO are guaranteed by the Northern Territory Government.

Audit Opinion

The audit of the Territory Insurance Office for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 25 September 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Territory Insurance Office cont...

Prudential Review

In 2007-08 the Treasurer issued a Determination pursuant to section 7 of the *Territory Insurance Office Act*. That Determination requires TIO to comply with prudential standards issued by the Australian Prudential Regulatory Authority (APRA). Thus while TIO may lie outside the jurisdiction of APRA, the effect of the Treasurer's Determination is to subject TIO to the same level of prudential regulation that applies to other insurers and Authorised Deposit-Taking Institutions.

For the purposes of the Determination, the Auditor-General has been deemed to be the 'appointed auditor' consistent with the requirements imposed upon general insurers that are subject to direct supervision by APRA. Accordingly, I conducted reviews of both the insurance and banking functions of TIO during 2012-13 to assess the extent to which TIO met the requirements of the APRA prudential standards. Following that review I advised the Treasurer and the Board of TIO that I was generally satisfied that TIO had met the requirements of the APRA prudential standards.

Performance Overview

The MAC Fund surplus increased from \$1.31 million in 2011-12 to \$83.80 million for 2012-13. The after tax profits of TIO's insurance and banking operations also increased from \$7.06 million in 2011-12 to \$16.73 million in 2012-13.

The improved financial performance of both the insurance and banking, and MAC segments of TIO is a reflection of a significant fall in the claims expense for both the insurance and banking, and MAC segments of the business for 2012-13. The decline in the claims expense followed an actuarial assessment of TIO's outstanding claims liability.

The TIO Board recommended that a dividend of \$10.5 million be paid to the Northern Territory Government based upon the 2012-13 year's results.

Territory Insurance Office cont...

Financial Performance for the year

	TIO Insurance & Banking		MAC Fund		TIO (consolidated)	
	2013	2012	2013	2012	2013	2012
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Underwriting result						
Net premium revenue	71	63	64	60	135	123
Net claims expense	(41)	(53)	(15)	(93)	(56)	(146)
Acquisition costs	(6)	(5)	-	-	(6)	(5)
Underwriting result	24	5	49	(33)	73	(28)
Non-underwriting revenues and expenses						
Investment revenue						
Interest receivable	39	44	8	9	47	53
Change in value of investments	(3)	5	20	18	17	23
Gain on disposal of investments	8	2	4	4	12	6
Other investment income	3	4	14	14	17	18
Total investment revenue	47	55	46	45	93	100
Other revenue and expenses						
Other revenue #	6	6	1	1	7	7
Borrowing costs	(23)	(30)	-	-	(23)	(30)
Other costs and depreciation#	(31)	(26)	(13)	(13)	(44)	(39)
Total other revenue and expenses	(48)	(50)	(12)	(12)	(60)	(62)
Non-underwriting result	(1)	5	34	33	33	38
Profit/(loss) before tax	23	10	83	-	106	10
Tax and other comprehensive income	(6)	(3)	1	1	(5)	(2)
Comprehensive income after tax	17	7	84	1	101	8

includes inter-business unit charges

Note: Totals may not add due to rounding.

Territory Insurance Office cont...

Financial Position at year end

	TIO Insurance & Banking		MAC Fund		TIO (consolidated)	
	2013	2012	2013	2012	2013	2012
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Assets						
Cash and cash equivalents	21	22	5	7	26	29
Trade and other receivables *	61	59	3	2	64	61
Other financial assets	244	233	514	448	758	681
Intangible assets	1	2	-	-	1	2
Loans	531	522	-	-	531	522
Reinsurance and other recoveries	30	37	31	35	61	72
Property, plant and equipment	14	14	34	33	48	47
Deferred reinsurance expense	23	21	-	-	23	21
Deferred acquisition costs	5	4	-	-	5	4
Current tax assets	-	-	-	-	-	-
Deferred tax assets	4	4	-	-	4	4
Total assets *	934	918	587	525	1,521	1,443
Liabilities						
Outstanding claims liability	(124)	(140)	(304)	(331)	(428)	(471)
Trade and other payables *	(27)	(29)	(4)	(2)	(31)	(31)
Deposits	(477)	(502)	-	-	(477)	(502)
Borrowings	(50)	-	-	-	(50)	-
Tax liabilities	(7)	(4)	-	-	(7)	(4)
Provisions	(5)	(5)	-	-	(5)	(5)
Unearned premium liability	(74)	(69)	(31)	(28)	(105)	(97)
Securitisation liabilities	(41)	(53)	-	-	(41)	(53)
Total liabilities *	(805)	(802)	(339)	(361)	(1,144)	(1,163)
Net assets	129	116	248	164	377	280

* includes inter-business unit's debtor/creditors

Territory Wildlife Parks

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Territory Wildlife Parks (TWP) is a Government Business Division that operates the Territory Wildlife Park at Berry Springs and the Alice Springs Desert Park. The TWP has required ongoing financial support, through its host Agency, to enable it to meet its operating expenses.

The host Agency was the Parks and Wildlife Commission of the Northern Territory.

Audit Opinion

The audit of Territory Wildlife Parks for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 11 October 2013.

Key Findings

Whilst the audit did not identify any material weaknesses in controls it is notable that TWP has recorded financial deficits since its inception and that it continues to rely upon financial support in the form of Community Service Obligations to enable it to manage its cash flow requirements.

TWP incurred an operating loss of \$1.85 million for 2012-13 in comparison to a deficit of \$2.29 million in 2011-12. This loss again calls into question the viability of the entity in the medium to longer term.

It is noted that visitor numbers have decreased significantly over the last few years as shown in the table below. Despite this continued drop in visitor numbers 'entry fee' revenue for 2013 showed a slight increase due to the increase in admission prices being charged.

	2008-09	2009-10	2010-11	2011-12	2012-13
Visitors	143,775	140,854	129,933	116,954	104,177

Territory Wildlife Parks cont...

Territory Wildlife Parks' expenses for the 2012-13 year decreased due to a reduction in the repairs and maintenance program and staffing levels. The repairs and maintenance program incurred the most significant decrease due there being a significant amount of 'one-off' funding for 'urgent work' in 2011-12 that did not occur in 2012-13.

	2008-09	2009-10	2010-11	2011-12	2012-13
	\$000's	\$000's	\$000's	\$000's	\$000's
Repairs & Maintenance	650	666	998	1,884	832

Equity as at 30 June 2013 was \$23.56 million, a decrease of \$1.17 million over the previous year. This result was a combination of \$0.68 million transferred into the Territory Wildlife Parks for completed infrastructure works offset by the 2013 operating loss of \$1.85 million.

Territory Wildlife Parks cont...

Financial Performance for the year

	2013	2012
	\$'000	\$,000
Income		
Community Service Obligations	7,915	9,418
Sales of goods and services	2,154	2,059
Other revenues	19	50
Total income	10,088	11,527
Expenditure		
Employee expenses	(5,820)	(6,321)
Depreciation and amortisation	(1,759)	(1,719)
Other expenses	(4,363)	(5,781)
Total expenditure	(11,942)	(13,821)
Surplus/(deficit) before income tax expense	(1,854)	(2,294)

Territory Wildlife Parks cont...

Financial Position at year end

	2013	2012
	\$'000	\$'000
Current Assets	720	1,035
Less current liabilities	(1,001)	(1,196)
Working capital	(281)	(161)
Add non-current assets	24,037	25,117
Less non-current liabilities	(194)	(221)
Net assets	23,562	24,735
Represented by:		
Accumulated losses	(16,062)	(14,208)
Contributed equity	20,878	20,197
Asset revaluation reserve	18,746	18,746
Equity	23,562	24,735

Top End Hospital Network

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Top End Hospital Network (the Network) was established as a local hospital network pursuant to the National Health Reform Agreement and the *Hospital Networks Governing Councils Act 2012*. That Act also deemed the Network to be a Government Business Division for purposes of the *Financial Management Act*.

The Network comprises the Royal Darwin, Gove and Katherine hospitals and is funded predominantly by national health reform payments paid through the Department of Health.

Audit Opinion

The audit of the Top End Hospital Network for the year ended 30 June 2013 resulted in an unqualified independent audit opinion, which was issued on 9 October 2013.

Key Findings

The audit did not identify any material weaknesses in controls.

Performance Overview

This was the first year of activity for the Network.

Top End Hospital Network cont...

Financial Performance for the year

	2013
	\$'000
Income	
Sales of goods and/or services	257,159
Current grants and subsidies	297,140
Other	1,830
Total income	556,129
Expenditure	
Employee expenses	(304,251)
Repairs and maintenance	(13,534)
Supplies and services	(210,270)
Depreciation and amortisation	(18,310)
Current grants and subsidies	(16,556)
Total expenditure	(562,921)
Surplus/(deficit) before income tax expense	(6,792)
Income tax expense	-
Surplus/(deficit) after income tax expense	(6,792)

Top End Hospital Network cont...

Financial Position at year end

	2013
	\$'000
Cash and cash equivalents	13,192
Receivables and other current assets	22,100
Less current liabilities	(68,696)
Working capital	(33,404)
Add non-current assets	416,492
Less non-current liabilities	(12,416)
Net assets	370,672
Represented by:	
Accumulated funds	(6,792)
Asset revaluation surplus	180,704
Capital	196,760
Equity	370,672

Treasurer's Annual Financial Statement

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2013

Background

The Treasurer's Annual Financial Statements (TAFS) are required to be prepared by the Treasurer pursuant to section 9 of the *Financial Management Act*.

The TAFS comprise separate sets of financial statements prepared for each of:

- the General Government Sector;
- the Public Non-Financial Corporation Sector;
- the Non-Financial Public Sector;
- the Public Financial Corporation Sector; and
- the Total Public Sector.

Audit Opinion

My audit opinion on the Treasurer's Annual Financial Statement for 2012-13, which was issued on 11 October 2013, was qualified because of uncertainty surrounding the valuation of work in progress in relation to the Strategic Indigenous Housing and Infrastructure Program.

Discussion

The compilation of the TAFS is a complex process that is undertaken by the Department of Treasury and Finance. It requires the consolidation of the financial statements of each entity that is deemed to be controlled by the Northern Territory, with the General Government and Public Non-Financial Corporation sectors being consolidated to form the Non-Financial Public Sector. The Non-Financial Public Sector is then consolidated with the Public Financial Corporation Sector to form the Total Public Sector. During the consolidation process all intra-entity balances for each sector are eliminated so that each set of statements reflects the results of transactions with the other sectors, or in the case of the Total Public Sector, with the "outside world".

The principles that underpin the TAFS are set down by the *Fiscal Integrity and Transparency Act* which requires that the Government Finance Statistics (GFS) be used and those requirements form the basis of the Uniform Presentation Framework that has been adopted by each jurisdiction in the interest of consistency of financial reporting by governments in Australia.

Treasurer's Annual Financial Statement cont...

Financial statements prepared in accordance with GFS requirements include measures of financial performance and position.

Net Operating Balance – a measure of financial performance calculated as the excess of revenues over expenses. The Net Operating Balance is a measure of the sustainability of a government.

Net Lending/Borrowing – a measure of financial performance sometimes referred to as Fiscal Balance and calculated as the Net Operating Balance less the net acquisition of non-financial assets. It is a measure of the extent to which a government is either putting financial resources at the disposal of other sectors in the economy or utilising the financial resources generated by other sectors.

Net Worth – a measure of financial position that comprises total assets (financial and non financial) less total liabilities and contributed capital. This measure includes non-current physical assets (land and fixed assets) and employee entitlements such as unfunded superannuation and employee leave balances. The change in net worth is the preferred measure for assessing the sustainability of fiscal activities.

Net Financial Worth – a measure of financial position that comprises total financial assets less total liabilities. This measure can be viewed as an alternative measure for assessing the sustainability of fiscal activities as it may be difficult to attach market values to some general government sector non-financial assets that form part of the calculation of Net Worth.

Net Debt – a measure of financial position comprising certain financial liabilities less financial assets. The items included in this measure are discussed in some detail in the Budget Papers.

Net Financial Liabilities – a measure that is broader than net debt as it includes significant liabilities, other than borrowings (for example, accrued employee liabilities such as superannuation and long service leave entitlements). This measure is used only in the case of the General Government Sector.

The comments that follow are confined to the General Government sector. The sector is arguably the most important sector of government. It is that sector that is funded largely through taxation and on that basis alone deserves to be considered, but it is also the sector that is responsible for the provision of those services that the community commonly associates with the role of a government.

Treasurer's Annual Financial Statement cont...

The financial performance of the General Government Sector, as measured by Net Operating Balance, deteriorated during 2012-13 when compared with the prior year. Whereas the Net Operating Balance for 2011-12 was a surplus of \$175.5 million the result for 2012-13 was a deficit of \$101.1 million. The causes of this deterioration were increased expenses which rose by 3.3 per cent to \$4,889.7 million and lower revenues which declined by 2.4 per cent to \$4,788.5 million.

The largest component of expense growth was employee expenses which increased by 5.3 per cent to \$1,894.3 million; the lowest rate of growth for this expense category for several years. The decline in revenue was largely the result of a decline of \$309.2 million in the value of capital grants received from the Commonwealth and this decline can be attributed to the completion of Commonwealth funded programs.

In contrast to the Net Operating Balance result, the Fiscal Balance result improved from a deficit of \$467.1 million for 2011-12 to a deficit of \$356.9 million for 2012-13 and this improvement is attributable to a decline in the value of purchases of non-financial assets during the year.

The financial position of the General Government Sector, as measured by its Net Debt, deteriorated by \$196.7 million for the year largely as a result of an increase of \$557.7 million in borrowings and \$109.7 million in advances received, offset by increases of \$233.9 million in investments, \$139.2 million in deposits and \$97.6 million in cash and advances.

Net Financial Worth improved by \$356.1 million when compared with the position at 30 June 2012. This result is an extension of Net Debt and the improvement in this case is attributable to increase of \$340.23 million in the value of equity in other sectors that comprise the total public sector, together with a decline in the value of the liability for superannuation at 30 June 2013.

Net Financial Liabilities declined by \$15.8 million for the year reflecting the growth in borrowings and advances that have been referred to above, offset by a decline in deposits held and increases in holdings of cash, advances and investments.

Treasurer's Annual Financial Statement

cont...

Net Worth increased by \$860.6 million as a result of an increase of \$398.8 million in the value of property, plant and equipment held by the sector 30 June 2013 when compared with the position at 30 June 2012, together with the effects of the changes in the holdings of different classes of assets and liabilities that occurred during the year.

The components of the financial position of the General Government Sector and the movements for the year are shown in the following table:

General Government Sector - Components of Financial Position

	Balance at 30 June 2013 \$'million	Movement for 2012-13 \$'million	Balance at 30 June 2012 \$'million
Cash and deposits	413.6	35.7	377.9
Advances paid	230.6	61.9	168.7
Investments, loans and placements	1,269.8	233.9	1,035.9
Deposits held	(665.0)	139.2	(804.2)
Advances received	(378.3)	(109.7)	(268.6)
Borrowings	(2,700.2)	(557.7)	(2,142.5)
Net debt	(1,829.5)	(196.7)	(1,632.8)
Other non-equity financial assets	153.4	(57.9)	211.3
Equity assets	2,849.9	340.2	2,509.7
Superannuation liabilities	(3,495.1)	302.6	(3,797.7)
Other employee entitlements and provisions	(562.2)	(17.3)	(544.9)
Other non-equity liabilities	(313.4)	(14.8)	(298.6)
Net financial worth	(3,196.9)	356.1	(3,553.0)
Less: Equity assets	(2,849.8)	(340.3)	(2,509.5)
Net financial liabilities	(6,046.7)	15.8	(6,062.5)
Net carrying amounts of non-financial assets	11,065.2	504.7	10,560.5
Equity assets	2,849.9	340.2	2,509.7
Net worth	7,868.4	860.7	7,007.7

Appendices

This page deliberately left blank.

Appendix 1: Audit Opinion Reports Issued Since 30 June 2013

Financial Statements for the year ended 30 June 2013

	Date 2012-13 Financial Statements tabled to Legislative Assembly	Date of Audit Report Year ended 30 June 2013	Date of Audit Report Year ended 30 June 2012
Central Australian Hospital Network	17 October 13	9 October 13	N/A
Cobourg Peninsula Sanctuary and Marine Park Board	Not yet tabled	26 November 13	20 May 13
Common Funds of the Public Trustee	Not yet tabled	3 December 13	9 November 12
Construction Division	26 November 13	18 October 13	16 October 12
Darwin Bus Service	17 October 13	3 October 13	22 October 12
Darwin Port Corporation	17 October 13	30 September 13	28 September 12
Darwin Waterfront Corporation	5 December 13	16 October 13	19 October 12
Data Centre Services	17 October 13	9 October 13	28 September 12
Desert Knowledge Australia	5 December 2013	4 November 13	26 November 12
Government Printing Office	17 October 13	9 October 13	28 September 12
Indigenous Essential Services Pty Ltd	17 October 13	30 September 13	26 September 12
Jabiru Town Development Authority	Not Required	3 December 13	4 December 12
Land Development Corporation	5 December 2013	2 October 13	20 November 12
Legislative Assembly Members' Superannuation Fund	17 October 13	1 October 13	3 October 12
Nitmiluk (Katherine Gorge) National Park Board	Not yet tabled	8 November 13	6 December 12
Northern Territory Government and Public Authorities Employees' Superannuation Fund	17 October 13	1 October 13	5 October 12

Not required – Financial statements are not required to be tabled

Not yet tabled – as at 31 January 2014

N/A – Not applicable

Appendix 1: Audit Opinion Reports Issued Since 30 June 2013 cont...

Financial Statements for the year ended 30 June 2013 cont...

	Date 2012-13 Financial Statements tabled to Legislative Assembly	Date of Audit Report Year ended 30 June 2013	Date of Audit Report Year ended 30 June 2012
Northern Territory Grants Commission	4 December 13	18 October 13	18 October 12
Northern Territory Legal Aid Commission	Not yet tabled	15 November 13	30 November 12
Northern Territory Major Events Company Pty Ltd	Not required	20 December 13	26 March 13
Northern Territory Police Supplementary Benefit Scheme	Not required	1 October 13	3 October 12
Northern Territory Treasury Corporation	17 October 13	30 September 13	28 September 12
NT Build	5 December 2013	9 October 13	18 September 12
NT Fleet	17 October 13	9 October 13	28 September 12
NT Home Ownership	17 October 13	11 October 13	18 October 12
Power and Water Corporation	17 October 13	30 September 13	26 September 12
Surveyors Board of the Northern Territory of Australia	5 December 2013	23 October 13	17 October 12
Territory Discoveries	5 December 2013	27 September 13	9 October 12
Territory Insurance Office	17 October 13	25 September 13	27 September 12
Territory Wildlife Parks	15 October 13	11 October 13	27 September 12
Top End Hospital Network	17 October 13	9 October 13	N/A
Treasurer's Annual Financial Statement	17 October 13	11 October 13	25 October 12

Not required – Financial statements are not required to be tabled

Not yet tabled – as at 31 January 2014

N/A – Not applicable

Appendix 1: Audit Opinion Reports Issued Since 30 June 2013 cont...

Acquittals or Other Returns - for the year ended 30 June 2013

	Deadline for submission of Audited Financial Statements	Date of Audit Report Year ended 30 June 2013	Date of Audit Report Year ended 30 June 2012
<i>Interstate Road Transport Act 1985</i>	31 December 13	12 December 13	19 December 12
Local Government Financial Assistance	Not specified	26 September 13	5 October 12
<i>Nation Building Program (National Land Transport) Act :</i>			
Nation Building Program	31 December 13	12 December 13	4 March 13
Road Safety (Black Spot)	31 December 13	3 December 13	19 December 12
Roads to Recovery	31 October 13	31 October 13	12 February 13
Natural Disaster Relief and Recovery Arrangements	N/A	N/A	12 December 12
Territory Insurance Office:			
MAC Business Annual Return	31 October 13	30 October 13	31 October 12
Insurance Business Annual Return	31 October 13	30 October 13	31 October 12
Banking Business Annual Return	31 October 13	30 October 13	31 October 12

Not specified – No deadline specified

N/A – Not applicable

This page deliberately left blank.

Appendix 2: Status of Audits which were Identified to be Conducted in the Six Months to 31 December 2013

In addition to the routine audits, primarily being end of financial year audits of Agencies and of financial statements, and follow-up of outstanding issues in previous audits, the following audits and other tasks, were identified in Appendix 3 of the August 2013 as being scheduled for the period:

Department of Arts and Museums

Collections Management	Not yet completed
------------------------	-------------------

Department of Corporate and Information Services

IT Strategy and Governance	Cancelled
----------------------------	-----------

Department of Housing

Tenancy Management System	No matters to report
---------------------------	----------------------

Department of Transport

IT Review of the Motor Vehicle Registry System (Movers)	No matters to report
---	----------------------

Tourism NT

IT audit of Calypso	Cancelled
---------------------	-----------

Selected Agencies

Fuel Cards	Refer page 89
------------	---------------

This page deliberately left blank.

Appendix 3: Proposed Audit Activity in the Six Months Ending 30 June 2014

In addition to the routine audits, primarily compliance audits of selected agencies, interim audits of entities requiring financial statement opinions and follow up of outstanding issues in previous audits, the following audit have been scheduled for the period:

Department of Corporate and Information Services

IT review of the Electronic Invoice Management System

Department of the Attorney General and Justice

IT review of the Trust Accounting Database

Northern Territory Police, Fire and Emergency Services

IT review of the Police Real-time Online Management and Investigation System

This page deliberately left blank.

Appendix 4: Overview of the Approach to Auditing the Public Account and Other Accounts

The requirements of the *Audit Act* in relation to Auditing the Public Account and Other Accounts are found in:

- Section 13, which requires the Auditor-General to audit the Public Account and other accounts, with regard to:
 - the character and effectiveness of internal control; and
 - professional standards and practices.
- Section 25, which requires the Auditor-General to issue a report to the Treasurer on the Treasurer's Annual Financial Statement.

What is the Public Account?

The Public Account is defined in the *Financial Management Act* as:

- the Central Holding Authority; and
- Operating accounts of Agencies and Government Business Divisions.

Audit of the Public Account

Achievement of the requirements of section 13, including the reference to the character and effectiveness of internal control, as defined, can occur through:

- annual financial statement audits of entities defined to be within the Public Account, in particular Government Business Divisions, which have a requirement for such audits under the *Financial Management Act*; and
- an audit approach which the Northern Territory Auditor-General's Office terms the Agency Compliance Audit. This links the existence of the required standards of internal control over the funds administered within the Public Account, to the responsibilities for compliance with required standards as defined for Accountable Officers.

Appendix 4: Overview of the Approach to Auditing the Public Account and Other Accounts cont...

Areas of internal control requiring a more in-depth audit, because of materiality or risk, can also be addressed through:

- specific topic audits of the adequacy of compliance with prescribed internal control procedures. These can be initiated as a result of Agency Compliance Audits, or pre-selected because of the materiality or inherent risk of the activity; and
- reviews of the accounting processes used by selected Agencies at the end of the financial year, to detect if any unusual or irregular processes were adopted at that time.

Other accounts

Although not specifically defined in the legislation, these would include financial statements of public entities not defined to be within the Public Account, as well as the Trust Accounts maintained by Agencies.

Audit of the Treasurer's Annual Financial Statement

Using information about the effectiveness of internal controls identified in the overall control environment review, Agency Compliance Audits and financial statement audits, an audit approach is designed and implemented to substantiate balances disclosed in the Statement are in accordance with the disclosure requirements adopted by the Treasurer, and are within acceptable materiality standards.

The audit report on the Statement is issued to the Treasurer. The Treasurer then tables the audited Statement to the Parliament, as a key component of the accountability of the Government to the Parliament.

Appendix 5: Abbreviations

APRA	Australian Prudential Regulatory Authority
CSO	Community Service Obligation
CSS	Commonwealth Superannuation Scheme
DBS	Darwin Bus Service
DCS	Data Centre Services
DKA	Desert Knowledge Australia
GFS	Government Finance Statistics
GPO	Government Printing Office
IT	Information Technology
JTDA	Jabiru Town Development Authority
MAC Fund	Motor Accidents Compensation Fund
TAFS	Treasurer's Annual Financial Statement
TIO	Territory Insurance Office
TWP	Territory Wildlife Parks

This page deliberately left blank.

Index of Matters Reported

	Page
Aboriginal Areas Protection Authority	89
Central Australian Health Network	11
Cobourg Peninsula Sanctuary and Marine Park Board	14
Construction Division	17
Darwin Bus Service	20
Darwin Port Corporation	23
Darwin Waterfront Corporation	26
Data Centre Services	29
Department of the Chief Minister	89
Department of the Legislative Assembly	89
Desert Knowledge Australia	32
Government Printing Office	38
Jabiru Town Development Authority	41
Land Development Corporation	46
Legislative Assembly Members' Superannuation Fund	49
Nitmiluk (Katherine Gorge) National Park Board	52
Northern Territory Government and Public Authorities Employees' Superannuation Fund	55
Northern Territory Legal Aid Commission	59
Northern Territory Major Events Company Pty Ltd	63
Northern Territory Police Supplementary Benefit Scheme	66
Northern Territory Treasury Corporation	70

Index of Matters Reported cont...

	Page
NT Build	73
NT Fleet	77
NT Home Ownership	80
Power and Water Corporation	85
Territory Discoveries	113
Territory Insurance Office	116
Territory Wildlife Parks	120
Top End Health Network	124
Treasurer's Annual Financial Statement	127

Auditor-General for the Northern Territory
GPO Box 4594
Darwin NT 0801
Australia

Level 12
Northern Territory House
22 Mitchell Street
Darwin NT 0800
Australia

Telephone: (08) 8999 7155

E-mail: nt.audit@nt.gov.au
www.nt.gov.au/ago