

AUDITOR-GENERAL'S REPORT - November 13th 2007

The River Murray - DWLBC

Mr PEDERICK: Can the minister explain what the government is doing to ensure full accountability in the Department of Water, Land and Biodiversity Conservation? There are many references in the Auditor-General's Report, from pages 1594 to 1599, that draw attention to inadequate control and accountability across the whole department. For example, on page 1594 it states that the DWLBC 'further acknowledged that it was yet to fully develop certain control frameworks and in some instances had not implemented desired controls or not rigorously applied some existing controls'. Again on page 1594, it states, 'Key payroll controls were not consistently operating as intended.'

On the same page it states that limitations were apparent in DWLBC's system, resulting in interest not being applied to outstanding water levies and penalties as required by the NRM Act 2004. On page 1594 it also states that 'inaccurate water licensing revenue and debtors balances had flowed through to the general ledger without appropriate adjustment'. There are many statements in these pages, but one in particular raises much concern. On page 15.95—budgetary management—the review noted that DWLBC's budget management system incorporated budget expenditure targets which exceeded that approved in the Department of Treasury and Finance's budget system.

The Hon. K.A. MAYWALD: The Auditor-General's opinion on internal controls indicated that, apart from certain matters raised in relation to control environments, specific control matters, the natural resources management fund, and payments from the administrative grants funds, the controls exercised by the department were sufficient to provide reasonable assurance that the financial transactions of the department had been conducted properly and in accordance with the law.

The recommendations made by the Auditor-General refer to leading practice recommendations, which are improvements on systems that will ensure that the department can achieve leading practice processes rather than just the prescribed processes under Treasurer's Instructions. So, this moves beyond that to ensuring and providing recommendations for improvement. The Auditor-General has not said that they were insufficient, just that they could be improved, and that is what the department has taken these recommendations to mean. I have confidence in the department to deliver on improving the processes to ensure that we can adapt to these leading practice recommendations.