

# *Vote Audit*

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APPROPRIATION MINISTER(S): Speaker of the House of Representatives (M78)

DEPARTMENT ADMINISTERING THE VOTE: Controller and Auditor-General (A1)

RESPONSIBLE MINISTER FOR CONTROLLER AND AUDITOR-GENERAL: Speaker of the House of Representatives

# Details of Appropriations and Capital Injections

## Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2022/23		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Departmental Output Expenses</b>			
<b>Audit and Assurance Services RDA (M78) (A1)</b> This appropriation is limited to audit and related assurance services as required or authorised by statute.	93,900	15,255	109,155
<b>Audit and Assurance Services (M78) (A1)</b> This appropriation is limited to audit and related assurance services as required or authorised by statute.	11,626	<b>1,901</b>	13,527
<b>Total Departmental Output Expenses</b>	105,526	17,156	122,682
<b>Departmental Other Expenses</b>			
<b>Remuneration of Auditor-General and Deputy Auditor-General PLA (M78) (A1)</b> This appropriation is limited to remuneration expenses for both the Auditor-General and the Deputy Auditor-General as authorised by clause 5 of the Third Schedule of the Public Audit Act 2001.	1,099	-	1,099
<b>Total Departmental Other Expenses</b>	1,099	-	1,099
<b>Departmental Capital Expenditure</b>			
<b>Controller and Auditor-General - Capital Expenditure PLA (M78) (A1)</b> This appropriation is limited to the purchase or development of assets by and for the use of the Controller and Auditor-General, as authorised by section 24(1) of the Public Finance Act 1989.	4,257	(333)	3,924
<b>Total Departmental Capital Expenditure</b>	4,257	(333)	3,924
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Statutory Auditor Function MCA (M78) (A1)</b> The single overarching purpose of this appropriation is to support Parliament in ensuring accountability for the use of public resources.	18,878	<b>2,000</b>	20,878
<b>Departmental Output Expenses</b>			
<i>Performance Audits, Inquiries, and other studies</i> This category is limited to undertaking and reporting on performance audits, inquiries, and other studies relating to public entities under the Public Audit Act 2001 and responding to requests for approvals in relation to pecuniary interest questions regulated by the Local Authorities (Members' Interests) Act 1968.	12,419	2,000	14,419
<i>Supporting Accountability to Parliament</i> This category is limited to reporting to Parliament and others as appropriate on matters arising from audits, inquiries, and other studies, reporting to and advising select committees, and advising other agencies in New Zealand and internationally to support Parliament and governing bodies in holding their executives to account for the use of public resources.	6,459	-	6,459
<b>Total Multi-Category Expenses and Capital Expenditure</b>	18,878	2,000	20,878
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	129,760	18,823	148,583

# Capital Injection Authorisations

	2022/23		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Controller and Auditor-General - Capital Injection (M78) (A1)	7,604	2,000	9,604

# Supporting Information

## Part 1 - Vote as a Whole

### 1.2 - Trends in the Vote

#### Summary of Financial Activity

	2022/23				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	105,526	17,156	-	17,156	122,682
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	1,099	-	-	-	1,099
Capital Expenditure	4,257	(333)	-	(333)	3,924
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	18,878	2,000	-	2,000	20,878
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
<b>Total Appropriations</b>	129,760	18,823	-	18,823	148,583
<b>Crown Revenue and Capital Receipts</b>					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	-	N/A	-	-	-
Capital Receipts	-	N/A	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	-	N/A	-	-	-

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### Audit and Assurance Services RDA (M78) (A1)

##### *Scope of Appropriation*

This appropriation is limited to audit and related assurance services as required or authorised by statute.

##### *Expenses and Revenue*

	2022/23		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	93,900	15,255	109,155
Revenue from the Crown	-	-	-
Revenue from Others	93,900	15,105	109,005

##### *Reasons for Change in Appropriation*

This appropriation increased by \$15.255 million to \$109.155 million for 2022/23 due to changes in forecast audit activity and to address the impacts of the Coronavirus disease 19 (COVID-19). The impacts of COVID-19 include increased time and cost to complete audits.

##### *Memorandum Account*

	2022/23		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
<b>Audit and Assurance Services</b>			
Opening Balance at 1 July	3,544	(3,953)	(409)
Revenue	93,900	15,255	109,155
Expenses	99,376	18,306	117,682
Transfers and Adjustments	5,700	2,000	7,700
Closing Balance at 30 June	3,768	(5,004)	(1,236)

## Audit and Assurance Services (M78) (A1)

### *Scope of Appropriation*

This appropriation is limited to audit and related assurance services as required or authorised by statute.

### *Expenses and Revenue*

	2022/23		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	11,626	1,901	13,527
Revenue from the Crown	150	-	150
Revenue from Others	-	-	-

### *Reasons for Change in Appropriation*

This appropriation increased by \$1.901 million to \$13.527 million for 2022/23 to fund the forecasted Audit and Assurance Services operating deficit in 2022/23 and to allow a buffer to mitigate uncertainty in the timing of audit revenue and costs caused by COVID-19.

## 2.3 - Departmental Capital Expenditure and Capital Injections

### Controller and Auditor-General - Capital Expenditure PLA (M78) (A1)

#### *Scope of Appropriation*

This appropriation is limited to the purchase or development of assets by and for the use of the Controller and Auditor-General, as authorised by section 24(1) of the Public Finance Act 1989.

#### *Capital Expenditure*

	2022/23		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	1,978	170	2,148
Intangibles	1,937	(161)	1,776
Other	342	(342)	-
<b>Total Appropriation</b>	<b>4,257</b>	<b>(333)</b>	<b>3,924</b>

#### *Significant Projects*

	2022/23		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Property, Plant and Equipment	2,320	(172)	2,148
Information Systems Strategic Plan	1,937	(161)	1,776
Total	4,257	(333)	3,924

#### *Reasons for Change in Appropriation*

This appropriation decreased by \$333,000 to \$3.924 million for 2022/23, due to delays in the purchase of property, plant and equipment (\$172,000); and changes to the profile and timing of software expenditure to be incurred in the Information Systems Strategic Plan (\$161,000).

## Capital Injections and Movements in Departmental Net Assets

### Controller and Auditor-General

Details of Net Asset Schedule	2022/23 Main Estimates Projections \$000	2022/23 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2022/23
Opening Balance	12,866	7,812	The Supplementary Estimates opening balance reflects the audited results as at 30 June 2022.
Capital Injections	7,604	9,604	In Budget 2023, a non-repayable capital injection of \$16 million was approved to adjust the Audit and Assurance Services Memorandum Account and address the impacts of COVID-19 on the completion of audits in the 2021/22 and 2022/23 undertaken by the Office's in-house audit provider, Audit New Zealand. \$2 million of the capital injection was approved for use in 2022/23.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	(5,476)	(8,527)	The change in deficit to be incurred reflects updated forecasts for the Audit and Assurance Services Memorandum Account.
Other Movements	-	-	
<b>Closing Balance</b>	<b>14,994</b>	<b>8,889</b>	



# Part 4 - Details of Multi-Category Expenses and Capital Expenditure

## 4 - Multi-Category Expenses and Capital Expenditure

### Statutory Auditor Function (M78) (A1)

#### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to support Parliament in ensuring accountability for the use of public resources.

#### *Scope of Appropriation*

##### **Departmental Output Expenses**

###### *Performance Audits, Inquiries, and other studies*

This category is limited to undertaking and reporting on performance audits, inquiries, and other studies relating to public entities under the Public Audit Act 2001 and responding to requests for approvals in relation to pecuniary interest questions regulated by the Local Authorities (Members' Interests) Act 1968.

###### *Supporting Accountability to Parliament*

This category is limited to reporting to Parliament and others as appropriate on matters arising from audits, inquiries, and other studies, reporting to and advising select committees, and advising other agencies in New Zealand and internationally to support Parliament and governing bodies in holding their executives to account for the use of public resources.

#### *Expenses, Revenue and Capital Expenditure*

	2022/23		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
<b>Total Appropriation</b>	<b>18,878</b>	<b>2,000</b>	<b>20,878</b>
<b>Departmental Output Expenses</b>			
Performance Audits, Inquiries, and other studies	12,419	2,000	14,419
Supporting Accountability to Parliament	6,459	-	6,459
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>18,508</b>	<b>2,000</b>	<b>20,508</b>
Performance Audits, Inquiries, and other studies	12,419	2,000	14,419
Supporting Accountability to Parliament	6,089	-	6,089
<b>Revenue from Others</b>	<b>370</b>	<b>-</b>	<b>370</b>
Supporting Accountability to Parliament	370	-	370

*Reasons for Change in Appropriation*

This appropriation increased by \$2 million to \$20.878 million for 2022/23, due to an expense transfer from 2021/22 to 2022/23 of \$2 million to reflect delays in planned performance audits caused by COVID-19.