



# Welcome

## Chief Financial Officer's Forum

Hosted by the Australian National Audit Office  
2 December 2022



# Welcome and opening remarks

**Rona Mellor PSM**  
Deputy Auditor-General



# **Performance Statements Audit Update – *Providing assurance to the Parliament***

**George Sotiropoulos**  
Group Executive Director  
Performance Statements Audit Services Group



# Performance Statements Audit – *an entity's perspective*

**Dr Angela Barrett**  
Acting Chief Financial Officer  
Department of Treasury



# Break



# **Key themes from the Auditor- General's Report on the Financial Statements audits of Australian Government Entities for the Period Ended 30 June 2022**

**Bola Oyetunji**  
Group Executive Director  
Financial Statements Audit Services Group



# 2021-22 Financial Statements Auditor's Reports Issued



Auditor's report	2021-22	2020-21
Unmodified	236 <sup>a</sup>	241
Included an emphasis of matter	5	7
Included a Report on other legal and regulatory requirements	0	0
Modified	1 <sup>b</sup>	1 <sup>b</sup>
Auditor's reports issued	237	242
Not yet issued	11 <sup>c</sup>	3 <sup>d</sup>
Total number of financial statements audits <sup>e</sup>	248 <sup>ef</sup>	245 <sup>e</sup>



# 2021-22 Financial Statements audit outcomes



Concluded for the majority of entities that:

- key elements of internal control were operating effectively to provide reasonable assurance that the entities were able to prepare financial statements that are free from material misstatement.

Key audit matters (KAM):

- 57 KAM across 25 controls report entities. Focus was predominately fair value of assets and liabilities (and associated estimation and judgements).





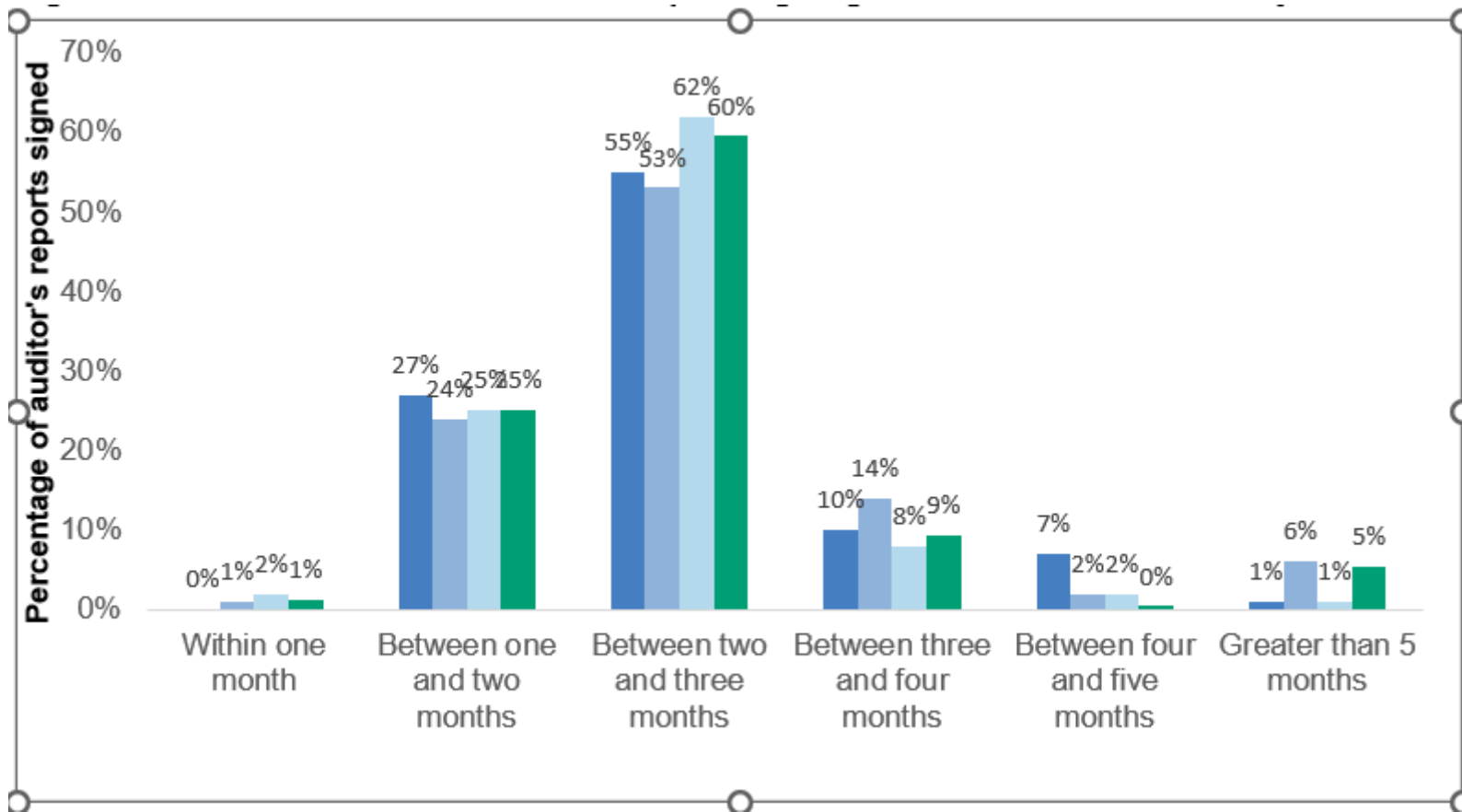
# Audit Findings



- Total findings 175 (2020-21: 165)
  - 1 significant (2020-21: 2)
  - 27 moderate (2020-21: 21)
  - 132 minor (2020-21: 127)
  - 15 Legislative Breaches (2020-21: 14)
- Significant number of findings continue to relate to IT controls (privileged users, terminated user removal).
- Increasing number of Legislative Breaches.



# Timeliness of auditor's report





# Observations in 2021-22



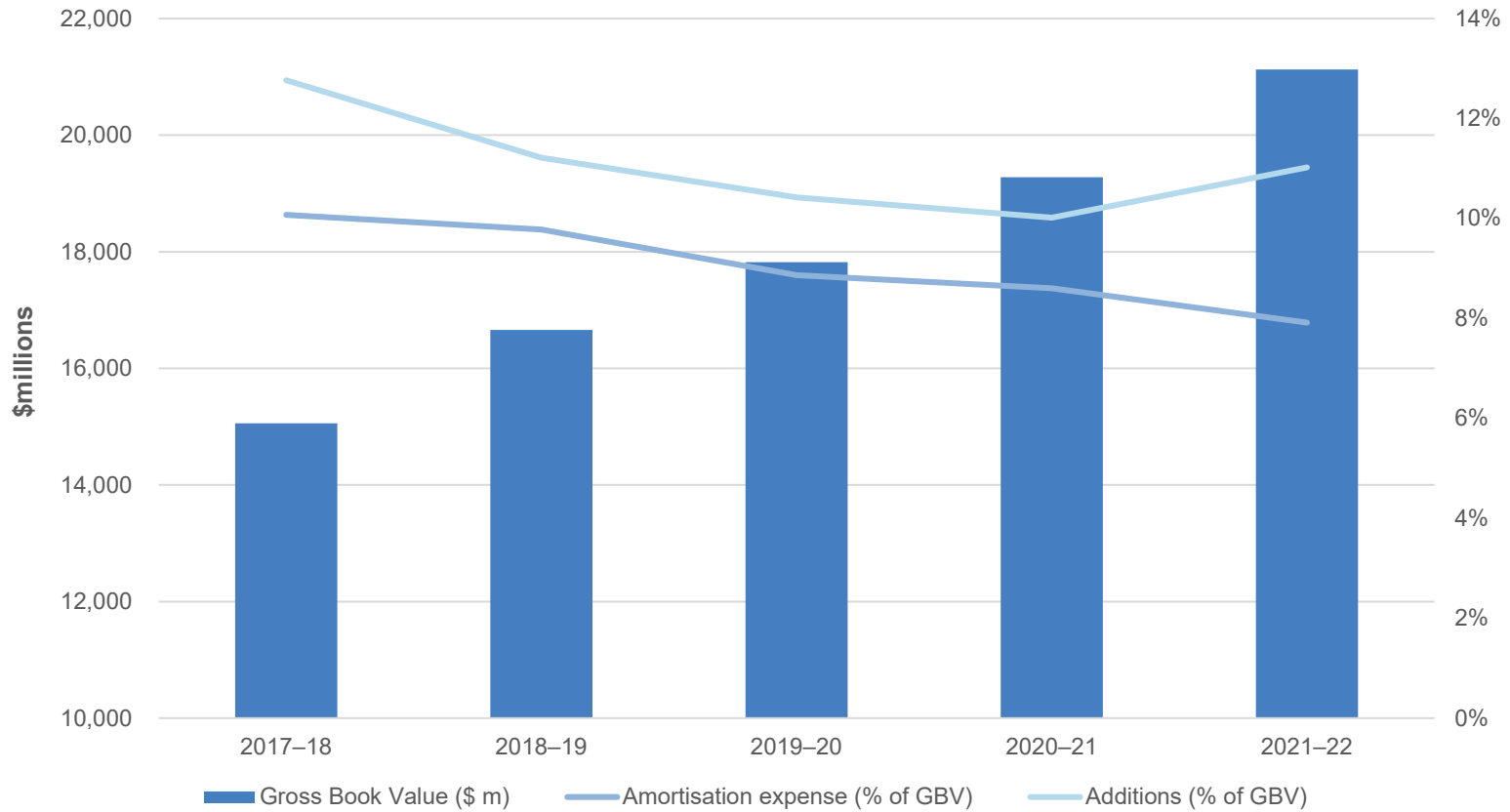
- Executive Remunerations
  - KMPs
  - Compliance with Rem Tribunal
- Bonuses
- Related Parties
- Shared Services
- Intangible assets



# Intangible assets



## Australian Government computer software (in use and under construction)





# Moving forward in 2022-23



## Expectations 2022-23

- Intangibles
- Whole of Government Challenges
- Population Data – Appropriation/CBMS
- KMP
- Governance Issues
- Valuations



# Performance audit update – *Auditing ethics*

**Jane Meade**

Group Executive Director

Professional Services and Relationships Group



# Performance audit strategy – *Audit series*

**Carla Jago**  
Group Executive Director  
Performance Audit Services Group



# 2023-24 Annual Audit Work Program







## 2023-24 Annual Audit Work Program



Potential audit series likely to include:

- Indigenous;
- Climate Change and the Environment;
- National Disability Insurance Scheme and Agency;
- Major public investments, e.g. Defence capability;
- COVID-19 response; and
- Implementation of Parliamentary committee and Auditor-General recommendations.



## 2023-24 Annual Audit Work Program



We consider the balance of potential coverage, including:

- coverage across portfolios and entity types;
- range of activities to be audited (governance, service delivery, procurement, regulatory activities, grants administration, asset management and sustainment, and policy development);
- stage of program/activity delivery; and
- audit objectives (against the PGPA Act's 4 Es).



## 2023-24 Annual Audit Work Program



Also use some pillars as a lens across the program

- Citizen centric
- Public sector pillars/sustaining trust in government
- National sovereignty
- Financing government
- Environment/climate change
- Workforce/capability of the public sector



# Questions?





# Cyber Security

**Lesa Craswell**

Senior Executive Director

Systems Assurance and Data Analytics



# Cyber Security



- Lessons Learned

- Assurance processes can assist an entity to understand whether the controls implemented are effective
- Providing appropriate guidance, including by documenting procedures, can assist operationalise requirements
- Security responsibilities cannot be outsourced



# ***Cyber Security - Lessons learned from recent cyber attacks on industry***

Australian Signals Directorate



# Thank you

The slides and recording of the forum will be made available on the ANAO website

**Closing remarks:**

**Jane Meade**

Group Executive Director

Professional Services and Relationships Group