



SAI Australia (ANAO)

Ensuring Reliability and Credibility by Leveraging Transparent Processes and Methods

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Audit Office



Transparency, Accountability and Credibility



- As an organisation, we stress high standards to ensure independence and accountability across all levels of our organisation.
 - We are committed to demonstrating transparency of our operations.
 - Transparency helps drive performance and accountability, facilitates trust, and leads to better engagement with key partners and stakeholders.
 - As an organisation, we can contribute to improved transparency and integrity in the public sector through our audit and assurance activities, as well as through our corporate disclosures.
 - We also have a robust process for audit quality and ensuring that reported information is accurate and reliable which enables trust in the ANAO's work.
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Methodology:

Robust methodology, supported by standardised documentation tools and templates.

Elements of good practice:

- Regularly review and update to reflect: changes to auditing standards; better practice; new and emerging products; findings from QA, etc.
- Adopt same standards as the auditing profession, consistent with International (ISSAI) and Australian audit standards.
- Audit manual published on our website to: promote transparency around audit process.
- Publication of the Annual Audit Work Program and approach undertaken.



ANAO Audit Manual			
Shared content	FSASG specific	PASG specific	PSASG specific



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Audit Quality:

Quality is fundamental to support integrity of audits and confidence of the Parliament.

Elements of good practice:

- Quality Assurance Framework and Plan.
- Annual Audit Quality Report.
- Results of QA reviews published.
- Audit Quality Indicators (AQIs) reported against.
- Root Cause Analysis.
- Publication of external reviews.
- Application of INTOsaint.

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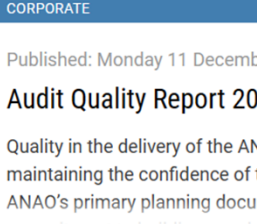


Published: Friday 7 July 2023 PUBLISHED

Quality Management Framework and Plan 2023–24

Quality in the delivery of the ANAO’s audit services is critical in supporting the integrity of our audit reports and maintaining the confidence of the Parliament and public sector entities. The ANAO Corporate Plan 2023–24 is

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Published: Monday 11 December 2023 NEW PUBLISHED

Audit Quality Report 2022–23

Quality in the delivery of the ANAO’s audit services is critical in supporting the integrity of our audit reports and maintaining the confidence of the Parliament and public sector entities. The ANAO corporate plan is the ANAO’s primary planning document. It outlines our purpose; the dynamic environment in which we operate; our

Root cause analysis

3.99 The conduct of root cause analysis on deficiencies to determine their nature, severity and effect on the system of quality management is a requirement of ASQM 1.¹⁰ The ANAO has been undertaking root cause analysis of deficiencies identified in in-house financial statements audit files for several years prior to the entry into force of ASQM 1. The ANAO is expanding its root cause analysis program to meet the requirement of the new standards that all deficiencies be subject to root cause analysis.

3.100 In 2022–23, the ANAO continued to use root cause analysis of significant findings and thematic findings from the inspections of 2021–22 financial statements audit files to identify the root cause of findings and determine the most appropriate remedial actions. The root cause analysis was completed concurrently with the finalisation of the inspections. Follow-up actions arising from the analysis included review of induction processes for contractors and new starters, review of resource allocation processes, and revisions to procurement processes and contract terms to incorporate audit quality considerations.

3.101 Root cause analysis over the thematic findings identified in the performance audit quality assurance review will be conducted in 2023–24 to understand the underlying drivers of identified deficiencies and develop targeted follow-up actions. Any findings arising from the quality assurance review of 2022–23 performance statements audits will also be subject to root cause analysis.



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Table 4.1: The ANAO measures the following AQIs against the nominated benchmarks

Audit Quality Indicator	Benchmark	Source of benchmark
<i>Relevant ethical requirements</i>		
1. Compliance with independence requirements – Breaches of independence policy	0	Zero risk and quality tolerance for independence policy breaches
<i>Human resources</i>		
2. Staffing leverage – Ratio of engagement executive hours charged to in-house financial audit work to lower-level audit staff hours	0.09 ●	ACAG Macro Benchmarking survey
3. Engagement executive and manager workload – Hours charged by audit staff who are classified as an engagement executive, Manager, EQCR executive or higher as a percentage of total hours charged		ACAG Macro Benchmarking survey
Financial Audit and Performance Statements Audit	22%	
Performance audit	40% ●	
4. Staff workload – Chargeable hours per FTE professional		ACAG Macro Benchmarking survey
Financial audit and Performance Statements Audit	1,200	
Performance audit	1,100	
5. Technical accounting and auditing resources – Percentage of total office expenditure allocated to technical resources	2%	ACAG Macro Benchmarking survey
6. Turnover of audit personnel	15-20%	ANAO Workforce Strategy
7. Training hours per audit professional	80 ●	ACAG Macro Benchmarking survey

<i>Audit performance</i>		
8. Frequency and impact of material financial statement restatements and errors – Number and percentage (of audited financial statements) of restatements for material errors, computed annually, and the magnitude of those restatements	0	The ANAO aims to have no material restatements resulting from errors detected after the auditor's report is issued.
<i>Monitoring</i>		
9. Internal quality review results – Percentage of engagement executives subject to review annually		ANAO policy
Financial audit	33%	
Performance audit	33%	
Contracted out firms – financial audit	33%	
Performance statements audit	33%	
10. Internal quality review results – Number of audit files rated as 'unsatisfactory' in the ANAO Annual Inspection Program	0	The ANAO aims to have no unsatisfactory audit files.



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Scrutiny:

Scrutiny of ANAO’s primarily occurs through the review of audit reports by the JCPAA, attendance by ANAO officials at Parliamentary Committee hearings, including at Senate Estimates, and by providing responses to questions from parliamentarians.

Elements of good practice:

- The ANAO’s engagement with the Parliament is published on our website.
- Consult with Parliament as to its priorities.
- ANAO subject to external reviews – peer review; internal and external audit; voluntary review by regulator.
- Results of external reviews published on website.

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Updated: Thursday 6 July 2023 UPDATED

Draft 2023–24 Annual Audit Work Program

The Draft 2023–24 Annual Audit Work Program containing potential performance audit coverage for the 2023–24 financial year was published on the ANAO website for public review and comment between 22 March and

PARLIAMENTARY BRIEFING (47TH PARLIAMENT)		
Briefing date	Recipient	Topic
7 December 2023	Senator the Hon Linda Reynolds CSC	Annual meeting with the Deputy Chair of the JCPAA
VIEW ALL PARLIAMENTARY BRIEFINGS		
PARLIAMENTARY BRIEFING (47TH PARLIAMENT)		
Briefing date	Recipient	Topic
29 November 2023	Mr Julian Hill MP	Annual meeting with the Chair of the JCPAA
VIEW ALL PARLIAMENTARY BRIEFINGS		
PARLIAMENTARY BRIEFING (47TH PARLIAMENT)		
Briefing date	Recipient	Topic
9 November 2023	Senator Janet Rice and Staff	Auditor-General Report no. 4 of 2023-24 Accuracy and Timeliness of Welfare Payments
VIEW ALL PARLIAMENTARY BRIEFINGS		
PARLIAMENTARY BRIEFING (47TH PARLIAMENT)		
Briefing date	Recipient	Topic
19 October 2023	Joint Committee of Public Accounts and Audit	Inquiry into Policy and Program Design and Implementation
VIEW ALL PARLIAMENTARY BRIEFINGS		



Australian National Audit Office

Audit surveillance report

1 July 2022 to 30 June 2023

August 2023



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Publications:

We seek to provide greater transparency through public reporting and improve accessibility.

Elements of good practice:

- Reports available to public on website.
- Digital-first strategy.
- Improved accessibility to information in reports: clear and concise conclusions and recommendations; one-page audit snapshots; more concise reporting; key learnings for all entities.
- Audit Insights publication.

The screenshot displays four performance audit reports from the Australian National Audit Office website. Each report card includes a title, publication date, a brief objective, and filter buttons for 'Activity' and 'Sector'. The reports shown are:

- Design and Early Implementation of Residential Aged Care Reforms** (Published: Monday 11 December 2023). Objective: assess whether the design and early implementation of the Australian Government's response to Recommendation 86 of the Royal Commission into Aged Care Quality and Safety.
- Establishment of the Workforce Australia Services Panel** (Published: Monday 27 November 2023). Objective: assess the effectiveness of the establishment of the Workforce Australia Services panel.
- Defence Assistance to the Civil Community** (Published: Thursday 28 September 2023). Objective: assess the effectiveness of the Department of Defence's planning and administrative arrangements to support the provision of emergency Defence Assistance to the Civil Community.
- Trade Measurement Compliance Activities** (Published: Tuesday 5 September 2023). Objective: examine whether compliance with trade measurement in Australia is being effectively administered.

The screenshot shows an 'Audit snapshot' for Auditor-General Report No. 5 2021-22, titled 'Improving Immunisation Coverage'. It features a 'Key facts' section with the following data:

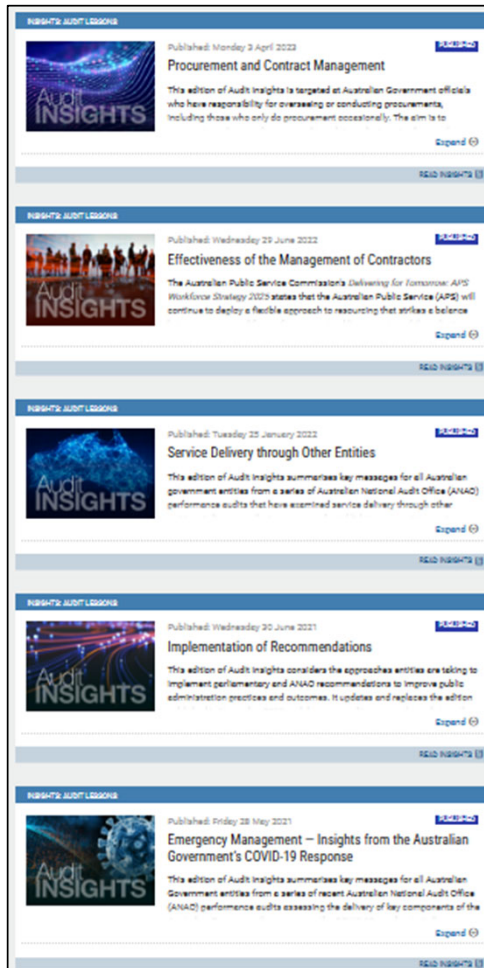
\$488.7m	95.1%	39	4
Commonwealth funding for NIP vaccines in 2021-22.	Number of Australian five year olds fully immunised in 2020, as calculated by Health.	Number of vaccine doses on the NIP Schedule up to age five years.	Number of vaccine doses in Health's calculation of fully immunised for five year olds.

Below the key facts, there are sections for 'Why did we do this audit?', 'What did we find?', and 'What did we recommend?'.

The screenshot shows a section titled 'Key messages from this audit for all Australian Government entities'. It includes a green checkmark icon and a summary of key messages, including instances of good practice identified in this audit and other Australian Government entities. The messages are categorized into 'Policy/program design' and 'Policy/program implementation'.



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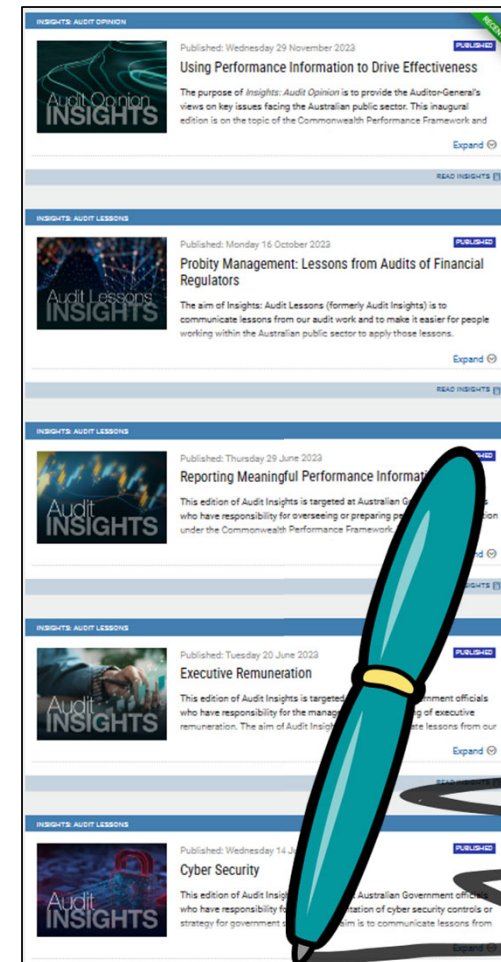


Audit Insights:

The aim of audit insights is to communicate lessons from our audit work to make it easier for people working within the Australian public sector to apply those lessons.

Through Insights (formerly Audit Insights) publications, the ANAO aims to contribute to improved public sector performance.

Published on the ANAO website.





Transparency, Accountability and Credibility



Good Governance:

Integrity is critical in sustaining the confidence of Parliament, strengthening public trust in government and delivering quality audit products. It is critical to the operations and reputation of the ANAO that the organisation maintains strong institutional integrity.

Elements of good practice:

- Tone from the top.
- Code of conduct and values and behaviours.
- Integrity framework; appointment of Integrity Advisor; publication of integrity report.
- Transparency of operations.
- Culture and integrity training.

3. ANAO Integrity Report 2022–23	⊖
Human resources (HR) matters	
Disclosures under the Public Interest Disclosure Scheme	
Fraud	
Misuse of credit cards	
Completion of mandatory learning and development	
Personal interest disclosures	
Gifts and benefits	
Outside employment or activities	
Queries to the Integrity Advisor	
Information security and confidentiality	
Integrity assessment	
Integrity and recognition	
Integrity vulnerability assessment	
Maturity assessment of the ANAO Integrity	

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Published: Friday 1 December 2023

ANAO Integrity Framework and Report 2022–23

The ANAO regards integrity as a core value of the organisation – critical in sustaining the confidence of Parliament, strengthening public trust in government and delivering quality audit products. Maintaining strong

NEW

PUBLISHED



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Corporate Disclosures:

We proactively make various corporate disclosures to ensure we public expectations of integrity, accountability, independence, transparency and professionalism.

Elements of good practice:

- Gifts and benefits policy and publication of register on website.
- Publication of expenses incurred by Auditor-General.
- Adoption of transparency reporting principles in annual report, similar to corporate entities.
- Leading by example – adoption of reporting better practices; remuneration disclosures; audit of performance information; publication of key artefacts of the ANAO on website.

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Updated: Tuesday 5 December 2023 NEW

Gifts and benefits register

The ANAO gifts and benefits policy recommends that ANAO employees do not accept any gifts or benefits in their role as an employee of the ANAO. Employees are required to report any offered gift or benefit (whether accepted or refused) within 10 business days of the offer being made, through an internal gifts and benefits register.

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Updated: Friday 28 July 2023 UPDATED

Auditor-General's expenses

The Auditor-General voluntarily discloses his expenses, and they are updated here every six months. You can subscribe to be notified when the expenses are updated.

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Updated: Wednesday 29 November 2023 UPDATED

SES Remuneration, Performance and Development Policy

The ANAO's SES Remuneration, Performance and Development Policy establishes the principles and procedures that apply to all SES employees and to those staff acting in SES roles. All ANAO SES employees are covered by common law agreements which set out the core conditions and terms of employment, including

ANNUAL REPORT

Published: Thursday 24 August 2023 PUBLISHED

ANAO Annual Report 2022-23

This annual report documents the performance of the Australian National Audit Office (ANAO) in the financial year ended 30 June 2023. The report addresses all applicable obligations under the *Public Governance*,



THANK YOU

