



# AUDIT QUALITY

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# WHY IS AUDIT QUALITY IMPORTANT?



- Quality in our audits is critical to support the integrity of audit reports and maintain the confidence of the Parliament and public sector entities.
- If our audit quality is questioned, we may lose the trust of Parliament and auditees and we may not be able to deliver on our purpose.



# WHAT IS AUDIT QUALITY?



*Audit quality is the provision of timely, accurate and relevant audits, performed independently in accordance with the Auditor-General Act, ANAO auditing standards and methodologies, which are valued by the Parliament. Delivering quality audits results in improved public sector performance through accountability and transparency.*





# QUALITY AT THE ORGANISATION LEVEL

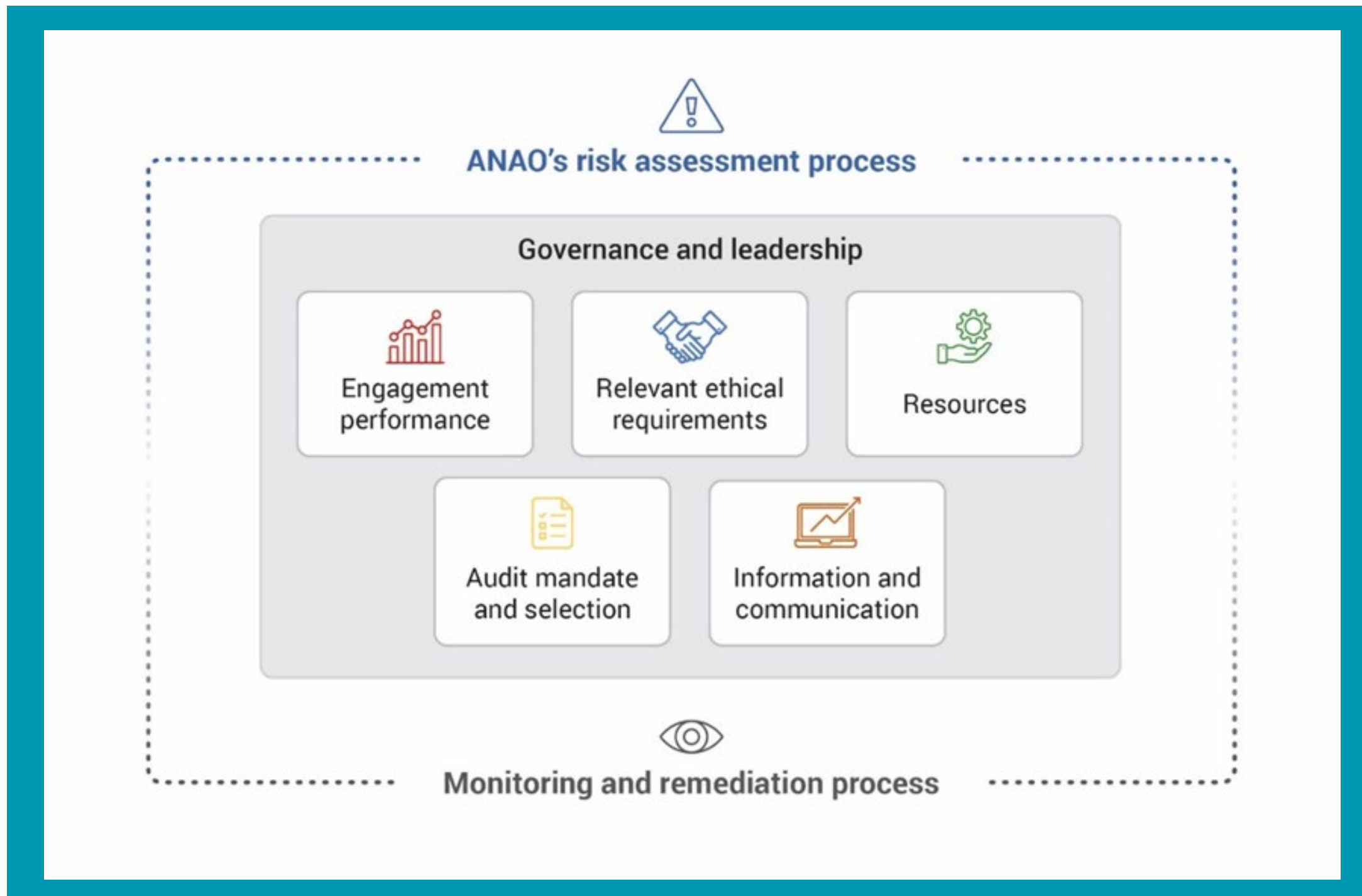


The screenshot shows the ANAO website header with the Australian Coat of Arms and ANAO logo. The navigation menu includes Home, Publications, Work program, Careers, About Us, Contact, and Search. The breadcrumb trail is Home > Work > Corporate > Quality Management Framework and Plan 2023-24. The main content area features a 'CORPORATE' tag, the title 'Quality Management Framework and Plan 2023-24', and a 'PUBLISHED Friday 7 July 2023' tag. A large image with the word 'quality' is displayed, along with a 'Contact' section that says 'Please direct enquiries through our contact page.'

The [ANAO Quality Management Framework](#) is the ANAO's system of quality management that supports audit quality at the organisation level



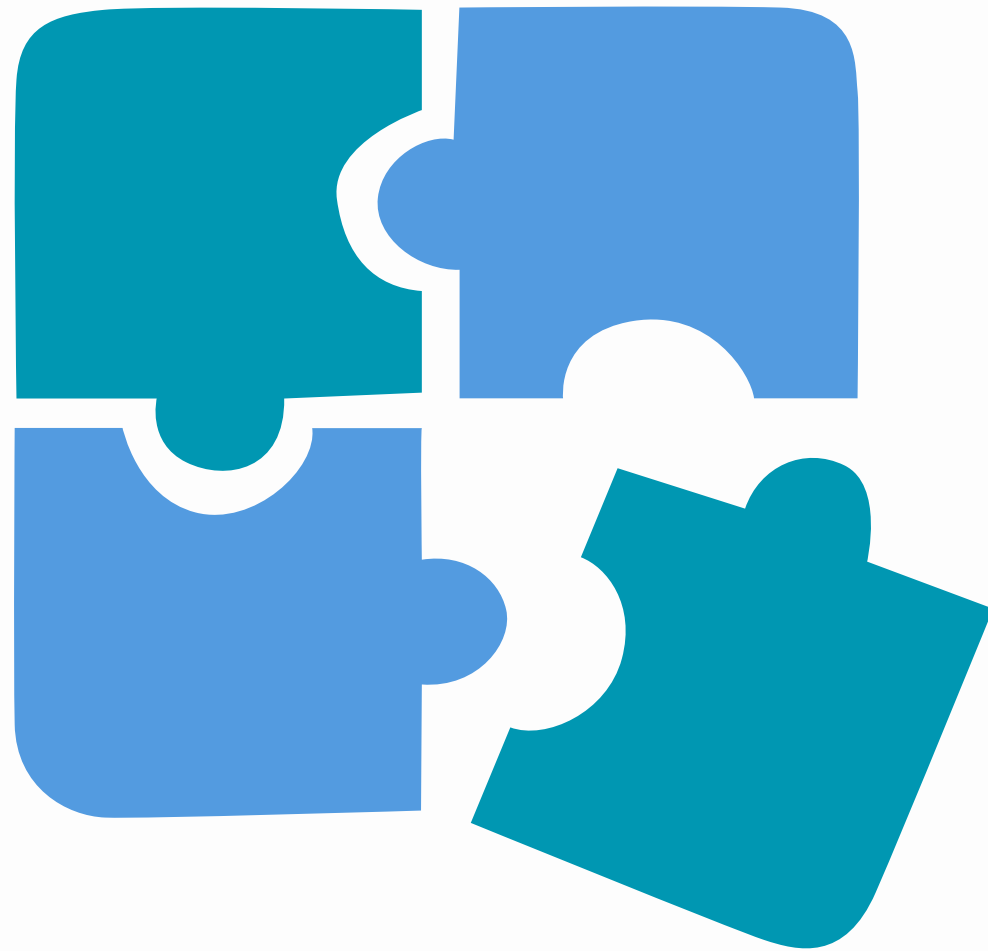
# QUALITY MANAGEMENT FRAMEWORK



- The framework includes policies, procedures and practices designed to meet ANAO quality objectives and address our quality risks
- The framework incorporates the ANAO Auditing Standards, methodology and audit manual policies.



# MONITORING AND EVALUATION



- A key element of the Quality Management Framework is monitoring of compliance with policies and procedures.
- Monitoring involves internal and external quality assurance (QA) reviews of the ANAO's audits.
- Our internal QA reviews assess:
  - if the elements of the quality management framework are operating effectively;
  - if audit files have complied with key auditing standards;
  - if sufficient and appropriate audit evidence to support the audit report is documented in the audit file.
- External oversight of quality at the ANAO is provided through scrutiny from the Parliament; peer review arrangements; review by ASIC (Australian regulator); and external audits.



# QUALITY AT THE AUDIT LEVEL- ENGAGEMENT PERFORMANCE



The Engagement Performance component is focused on the policies, methodology, review and approval processes that support quality in each audit, including:

- Roles and responsibilities
- Methodology standardised tools and templates
- Direction, supervision and review
- Coaching, mentoring and on-the-job training
- Key review and approvals at each stage of the audit
- Engagement leader involvement – increased involvement in significant and higher risk areas of the audit and critical areas of judgements
- Consultation for difficult and contentious matters





# HOW WE REPORT ON QUALITY



- The ANAO produces an annual [Audit Quality Report](#) setting out the Auditor-General’s evaluation on the implementation and operating effectiveness of the ANAO Quality Management Framework.
- We also capture feedback from auditees and Parliamentarians measuring our performance and impact – this forms part of our performance measures in our annual report.