

# Australian National Audit Office

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ANNUAL REPORT 2023–24

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20 August 2024

The Honourable the President of the Senate  
The Honourable the Speaker of the House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear President

Dear Speaker

In accordance with section 28 of the *Auditor-General Act 1997* and section 46 of the *Public Governance, Performance and Accountability Act 2013*, I present to the Parliament my report on the activities of the Australian National Audit Office (ANAO) for the year ended 30 June 2024.

As required by subsection 17AG(2) of the Public Governance, Performance and Accountability Rule 2014, I certify that:

- the ANAO has prepared fraud risk assessments and fraud control plans;
- the ANAO has in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet its specific needs; and
- I have taken all reasonable measures to appropriately deal with fraud relating to the ANAO.

Following the tabling of the Australian National Audit Office Annual Report 2023–24, the report will be available on the ANAO’s website, [anao.gov.au](http://anao.gov.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rona Mellor', written in a cursive style.

Rona Mellor PSM  
Acting Auditor-General

## About this report

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This annual report documents the performance of the Australian National Audit Office (ANAO) in the financial year ended 30 June 2024.

The report addresses all applicable obligations under the *Public Governance, Performance and Accountability Act 2013*; the Public Governance, Performance and Accountability Rule 2014; the *Auditor-General Act 1997*; the performance measures set out in the outcome and programs framework in the ANAO's Portfolio Budget Statements 2023–24 and in the ANAO Corporate Plan 2023–24; and annual reporting requirements set out in other relevant legislation.

In **Part 1** of the report, the Auditor-General reviews the significant issues and achievements of the past year and reflects on the challenges for the year ahead.

**Part 2** provides an overview of the ANAO's purpose, role and values, its organisational structure, and its key relationships, including with the Parliament.

**Part 3** outlines our performance framework and provides the ANAO's report on performance for 2023–24, consisting of our annual performance statements and the report on financial performance.

**Part 4** provides information on the ANAO's organisational governance, capability and risk management frameworks.

The **appendices** contain reporting information on engagement with parliamentary committees, transparency, resources and expenses, the ANAO workforce and other management issues.

A list of abbreviations and acronyms, a list of annual report requirements and an index are provided at the end of the report.

This report is available online at [anao.gov.au/pubs/annual-reports](https://anao.gov.au/pubs/annual-reports).

Other ANAO publications, as well as information about the ANAO, are available on the ANAO's website at [anao.gov.au](https://anao.gov.au).

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# Part 1 — Review by the acting Auditor-General

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I am pleased to present the Australian National Audit Office (ANAO) Annual Report 2023–24 to the Parliament. This reporting period has seen the ANAO continue to fulfil its mandate under the *Auditor-General Act 1997* through the delivery of high-quality reporting.

## The year in review

The ANAO is a professional organisation that is well regarded for its strong technical and specialist skills. Through our independent audit work, we provide assurance to the Parliament on the executive government’s use of resources. In 2023–24, the ANAO continued to deliver on its purpose through the efforts and commitment of our people.

### Workplace capability

In August 2023, the ANAO received the results from our participation in the Australian Public Service (APS) Employee Census 2023. I was pleased to see the 89 per cent response rate to the survey, as this high response rate gives me assurance that the results are truly representative of how our staff feel about their work and workplace. The data collected through the census was positive, reflecting a workforce that strongly believes in the purpose and objectives of our organisation. Ninety-seven per cent of respondents agreed that they understand how their role contributes to achieving an outcome for the Australian public, and 94 per cent believe strongly in the purposes and objectives of the ANAO.

It was also pleasing to see that staff positively assessed the leadership by their Senior Executive Service (SES) manager and the ANAO’s approach to communication and change. The ANAO’s SES manager leadership index score was 10 points above the APS average and the communication and change index score was 6 points above the APS average. Through the census, we also identified two areas of focus and action — innovation and wellbeing. We released an action plan to address these focus areas in December 2023, and actions are well underway to implement the plan.

### Parliamentary engagement

Over the reporting period, we actively engaged with the Parliament, primarily through the Joint Committee of Public Accounts and Audit (JCPAA). The work of the JCPAA and other parliamentary committees assists our reports to have an impact across the public sector — particularly as the Parliament continues to seek system-level transparency and assurance over the operation and effectiveness of public sector frameworks and the proper use of public resources to achieve intended results.

Through our submissions to the Parliament and our audit reports, we’ve contributed to the work of the JCPAA and the recommendations it has made on assurance of cybersecurity frameworks, and improvements to the Commonwealth Grants Rules and Guidelines and Commonwealth Procurement Rules. We’ve also observed progress of legislative changes arising from our work in telehealth and findings made in our financial statements audit work on the Commissioner of Taxation’s powers to manage debt.

## Integrity and ethics

Building the integrity of the Australian public sector remains a key focus within the public service following the report of the Royal Commission into the Robodebt Scheme, and the ongoing suite of APS reforms aimed at addressing related issues within public administration. The ANAO has an important role to play as the public sector auditor in identifying opportunities to strengthen integrity across Commonwealth entities. Along with the Commonwealth Ombudsman, National Anti-Corruption Commissioner, Australian Federal Police Commissioner and APS Commissioner, the Auditor-General seeks to identify systemic integrity issues, based on our audit work, to contribute to improvements within the sector.

In June 2024, the JCPAA concluded its inquiry into probity and ethics in the Australian public sector, publishing Report 502: *The never-ending quest for the golden thread*, reviewing five performance audit reports. The report makes 11 recommendations, including recommending that the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) framework be amended to introduce a requirement for entities to develop, maintain and report on an overarching integrity framework.

As an integrity agency, the ANAO recognises that maintaining strong institutional integrity is critical to our operations. To support this posture, we established the ANAO Integrity Framework in June 2020. In December 2023, we published our framework — and, for the first time, a report against the framework — to provide increased transparency of the measures we undertake to maintain a high-integrity culture within the ANAO. I see this framework, and our public reporting against it, as an important mechanism in publicly demonstrating transparency and accountability of our own operations.

Public sector ethics, integrity and probity will remain a focus of our work. Performance audits continue to identify that, in routine areas of public administration (such as record keeping, governance, procurement, conflict of interest management and risk management), performance consistently falls short. In the last five years, the ANAO has made negative comments on record keeping in over 90 per cent of performance audit reports presented to the Parliament. Of particular concern is that all 45 performance audit reports tabled in 2023–24 made negative comments on record keeping. The ANAO has also identified deficiencies in enforcing the requirements and managing the risks associated with gifts, benefits and hospitality — another area of public service administration that has clear requirements across established legislation, including the *Public Service Act 1999* and PGPA Act. These basic areas of administration matter, and getting them right can be an indicator of culture. They are areas covered by the law, policies and frameworks and therefore can indicate an entity's attitude to other aspects of its responsibilities.

## Report on performance

We report in detail on the ANAO's performance during 2023–24 in Part 3 — 'Report on performance'. During 2023–24, the ANAO issued reports on 245 mandated financial statements audits, conducted 10 performance statements audits, and presented 45 performance audit reports to the Parliament. Through this work, the Auditor-General provides independent assurance as to whether the executive is operating and accounting for its performance in accordance with the Parliament's intent. The ANAO makes recommendations to audited entities through each of these audit products where we identify areas of control weakness, risk or noncompliance.



## Financial statements audit services

In 2023–24, a total of 196 findings were reported to entities as a result of the 2022–23 financial statements audits (2021–22: 205). The findings included nine significant, 36 moderate, 137 minor and 14 legislative breaches. This compares with results from the previous year that included five significant, 35 moderate, 144 minor and 21 legislative findings. The highest number of significant and moderate findings for the 2022–23 audit cycle were in the categories of governance of legal and other matters impacting entity financial statements, IT governance (including security, change management and user access), and accounting and control of non-financial assets.

During the audits of 2022–23 financial statements, IT control environment findings continued as a theme, particularly in relation to IT security controls. This remains a key area of concern for the public sector in an environment of increasing cybersecurity risk. Four of the nine significant findings were in relation to weaknesses in the IT control environment, including weaknesses in change management, removal of user access, design and implementation of IT general controls, and IT governance. Entities should continue to improve their IT control environments, particularly as the sector considers the implementation of emerging technologies in their administration environments.

Four significant findings raised during the 2022–23 audit cycle related to weaknesses in entities' consideration of legal matters when preparing their financial statements. The ANAO identified legal matters that entities had not previously communicated, nor had the entities considered the potential impact on their financial statements. In some cases, adjustments to balances and disclosures were required in the financial statements.

Of the legislative breaches, three were significant legislative breaches, one of which was identified during the 2022–23 audit cycle; the other two remain unresolved from prior years. There were 11 non-significant breaches relating to noncompliance with determinations made by the Remuneration Tribunal for remuneration of key management personnel (incorrect payments) and noncompliance with requirements of the Commonwealth Procurement Rules.

## Performance audit services

The ANAO's performance audit program continues to provide assurance to the Parliament and to promote accountability, transparency and improvement in public administration. In 2023–24, the ANAO presented 45 performance audit reports to the Parliament, which met the target for this measure outlined in the ANAO Corporate Plan 2023–24. In the delivery of these performance audits, we achieved the intended coverage outlined in the Annual Audit Work Program 2023–24.

The 45 performance audit reports presented to the Parliament in 2023–24 contained 255 recommendations. Entities agreed in full with 94.1 per cent of these recommendations. The degree to which accountable authorities agree with recommendations is an important indicator of their acknowledgement of areas of administration that need attention. Importantly, agreement to recommendations is reported to the Parliament to support accountability. The number of recommendations is an increase on the previous year (194 recommendations in 40 audit reports, with 91.2 per cent agreed in full), reflecting both the increase in audit reports presented, and also the nature of the reports themselves. Of the 45 performance audit reports tabled in 2023–24, 9 per cent of audits included a conclusion that was adverse, 40 per cent included a conclusion of 'partly effective', and 51 per cent included a conclusion of 'largely effective'. No audit reports included a conclusion of 'fully effective'.

## Performance statements audit services

During 2023–24, the ANAO continued its rollout of the annual performance statements audit program. In February 2024, the ANAO published its findings from the 2022–23 performance statements audits of 10 entities.

The 2022–23 audit cycle indicated improvement in the quality of reporting from 2021–22. In particular, a reduced proportion of entities received a qualified conclusion in an auditor’s report, and the number of measures that were included in the basis for a qualified conclusion decreased. The audit program has demonstrated that mandatory annual performance statements audits encourage entities to invest in the ongoing capabilities needed to plan, monitor and report high-quality performance information. Following a request from the Minister for Finance on 18 July 2023, the ANAO commenced 14 performance statements audits in 2023–24.

The ANAO acknowledges the work of entities in improving performance reporting. Entities will need to make an ongoing effort to provide high-quality performance information to the Parliament that demonstrates their effective stewardship of public resources. Completeness of reports (that is, the inclusion of relevant key activities, performance measures and targets) and good-quality approaches to measuring and assessing performance and results remain areas for attention in the development of performance statements. The ANAO continues to improve its approach to performance statements auditing through the execution of its work, feedback from the sector and input from its expert advisory panel.

## Supporting the Parliament

The ANAO continues to provide support to the work of the JCPAA in delivering its statutory role in the Parliament. During 2023–24, the JCPAA presented four reports to the Parliament following inquiries into Auditor-General audit reports. Two of these JCPAA reports followed inquiries into performance audit reports covering procurement, and probity and ethics; one report examines the ANAO’s performance statements work; and one report considers the 2021–22 Major Projects Report on Defence acquisitions. The ANAO provided eight private briefings to the JCPAA and attended 19 public hearings to support the committee’s inquiries. In addition to the support provided to the JCPAA, the ANAO supported the work of the Parliament more broadly by providing submissions, information, assistance and briefings to parliamentarians and other parliamentary committees. The ANAO also provided briefing material to each Senate estimates committee, on ANAO work in a committee’s portfolio of focus, before each round of estimates hearings.

## International engagement

During 2023–24, the ANAO continued its support to capacity-building programs — funded through the Department of Foreign Affairs and Trade — in Indonesia and Papua New Guinea. The ANAO also continued to participate in the activities of the Pacific Association of Supreme Audit Institutions (PASAI). The ANAO engaged with the broader international and national auditing community on several activities aligned with the strategic objectives and key focus areas set out in the ANAO’s strategic planning framework. These engagements contribute strongly to the ANAO’s awareness, learning and sharing of international best practice in the public auditing profession.

## The year ahead

The impactful delivery of the Auditor-General’s functions relies on independence, an appropriate legislative basis for the conduct of auditing work, funding to successfully deliver the audit program, and the availability of skilled and trained people to carry out our work agenda.

### Legislative mandate

In March 2022, the JCPAA presented Report 491: *Review of the Auditor-General Act 1997* to the Parliament. Among other things, the committee made recommendations on the Auditor-General’s independence and mandate. These recommendations included making annual performance statements audits a mandatory function of the ANAO (rather than at ministerial request), amending and clarifying the types of entities subject to audit by the Auditor-General, and amending the processes related to the issuing of certificates by the Attorney-General for the omission of sensitive information from public audit reports. The JCPAA also recommended a consideration of matters regarding modernising the information-gathering powers included in the *Auditor-General Act 1997*. The government is yet to respond to the committee’s recommendations.

The modernisation of legislation to support contemporary powers for the Auditor-General is increasingly necessary, in particular as they relate to information gathering. The *Auditor-General Act 1997* came into effect when information gathering largely relied on paper-based files and documentation, and physical visits to entity premises. As the public sector continues to digitise and automate its functions and generate and hold more data, and considers the use of artificial intelligence in the delivery of services, the ANAO must be empowered to audit more effectively in the context of new technology.

### Sustainable funding

Independence of public audit offices is a key part of the accountability framework. The International Organization of Supreme Audit Institutions (INTOSAI) sets out eight principles in its 2007 Mexico Declaration to guide the independence of audit institutions. Principle 8 refers to financial and managerial/administrative autonomy and the availability of appropriate human, material and monetary resources. To achieve the Parliament’s expectation of the presentation of 48 performance audit reports per year and deliver the functions mandated in the *Auditor-General Act 1997*, ongoing sustainability of funding for the ANAO remains an issue.

Appropriate funding of the ANAO has been a focus of the JCPAA in its role in making recommendations to the government on the ANAO’s budget. While the ANAO did not seek supplementation in the 2024–25 Budget, the JCPAA noted in its statement on the Budget estimates that ‘the Committee has been grappling with the unsustainability of ANAO’s long term financial position and the risk arising to its operational independence and ability to perform its vital statutory roles at an appropriate level of output’. The JCPAA also noted that ‘the ANAO will require additional funding in future years if it is to meet both its legislative requirements and other outputs under the present framework.’ The committee further noted the impact of the efficiency dividend on the ANAO’s budget.

Achieving sustainable funding will be a priority for the ANAO in 2024–25, in an environment of increasing costs of delivering high-quality audit products to the Parliament, the growth in the performance and performance statements audit programs, maintaining the security of sensitive information, and the prospect of new audit requirements (for example, for climate change disclosures by entities).

## Audit work program

Over the coming year, the ANAO has several focus areas in its audit work program.

### Changes in the technological landscape

The ANAO has been considering its approach to auditing the changing and advancing technological landscape of the public sector. Alongside increasing parliamentary interest, the report of the Royal Commission into the Robodebt Scheme highlighted the need for public sector entities to be able to provide assurance over the operation of automated decision-making. We have begun research activities into what audit methodology, audit tool changes and skills may be required to support audit work in this area. A performance audit into the Australian Taxation Office's adoption of artificial intelligence is underway to both provide assurance to the Parliament and assist us in identifying further capability we may need to develop to undertake audits of emerging technologies into the future.

For the ANAO, like other audit offices, there is an opportunity to explore how automation can improve the audit process. While audit standards require human judgement, decision-making and scepticism, the ANAO has identified audit processes that can be automated. We have developed tools to achieve this, with oversight by our Quality Committee, to ensure adherence to the ANAO auditing standards and our audit methodology. Further, work is underway to govern the use of emerging technology within the ANAO's business, recognising that information collected for audit purposes is the subject of strict confidentiality provisions in the *Auditor-General Act 1997*. We identified governance of the adoption of emerging technology as an issue across the sector through our auditing of 2022–23 financial statements, and we will continue to monitor this area as the government provides guidance to the sector.

### Climate-related disclosures

Reporting of climate-related disclosures is an emerging area of audit focus. The first stage of sustainability reporting under the Net Zero in Government Operations Strategy is the introduction of mandatory climate-related disclosures in annual reports. The Treasury is leading the corporate climate-related financial disclosure policy rollout for companies reporting under the *Corporations Act 2001*. The reporting requirements will be set out in standards developed by the Australian Accounting Standards Board (AASB). Climate disclosures will be subject to similar assurance requirements to those currently in the Corporations Act for financial reports. Entities will also be required to obtain an assurance report from their financial auditors, with assistance from technical climate and sustainability experts where required. Assurance requirements will be set out in standards issued by the Auditing and Assurance Standards Board. Five Commonwealth companies will be impacted by the Corporations Act requirements, with proposed commencement for financial reporting years starting on or after 1 January 2025.

The Department of Finance is leading the Commonwealth climate disclosure policy rollout for Commonwealth entities and Commonwealth companies not captured by the thresholds set out in the proposed amendments to the Corporations Act. The department is developing a reporting framework based on the proposed AASB standards. The ANAO is working with the Department of Finance to develop an assurance and verification regime for climate disclosures. Readiness to audit climate disclosures will be a key focus for the ANAO in 2024–25. In preparing, we will consider the Auditor-General's audit mandate, internal resourcing requirements, the training needed to support staff development, and access to specialist expertise to support the implementation of this activity.

We will also consider the readiness of the sector for preparing these disclosures and how the audit process can be used to drive enhanced disclosure across Commonwealth entities.

### Resourcing a growing audit program

The performance statements audit program will continue to grow. The Minister for Finance has requested that the ANAO audit the performance statements of 21 entities for 2024–25. Implementation of the audit program has already shown positive outcomes and the ANAO will continue to promote accountability of entities' stewardship of public resources through high-quality performance reporting. It has been pleasing to observe both entities and parliamentarians engaging with performance statements findings, seeking to better understand what 'good' performance looks like in the context of public service delivery. The ANAO will continue to work with entities through the audit process to seek fair presentation of performance information which is meaningful to the users.

This coming year, the target for performance audit increases to 48, consistent with the Parliament's expectations. As the number of performance audits completed each year grows, it will be a challenge to ensure that we remain suitably and skilfully resourced. In an employment market where attracting and retaining suitability qualified staff remains difficult, we will continue to assess the most appropriate resourcing approach to delivering our priorities across all audit disciplines.

### Major projects report on Defence acquisitions

The 2022–23 Major Projects Report on Defence acquisitions was presented to the Parliament in February 2024. The Auditor-General's independent assurance report on the 2022–23 Major Projects Report drew attention to the non-publication of information by Defence. Similar to the 2021–22 Major Projects Report, Defence had assessed that some of the details of project performance would or could be reasonably expected to cause damage to the security, defence or international relations of the Commonwealth without sanitisation of the data presented in the report. The major projects report provides a reduced level of transparency and therefore accountability to the Parliament and other stakeholders compared to reporting in 2020–21 and prior years. A continuation or expansion of this approach by the Department of Defence may reduce the value of the ANAO's work on this important audit engagement and therefore its value to the Parliament — a matter that will continue to be discussed with the JCPAA in the year ahead.

### Sharing audit insights

In 2024–25, we plan to more actively engage with the public sector to share the insights we gain from our audit work. We have observed an increasing demand from the public sector for products that translate our audit findings into helpful guidance that can be easily understood and implemented. Supporting the sector to understand who we are, what we do, and what we find through our work is important and recognised in our purpose. It is an area of both opportunity and risk — we need to remain mindful of our independence as the public sector auditor and not stray into the world of consulting. It is a fine line, and one we intend to tread carefully, recognising that we have insight to add to the public sector's thinking. The ANAO is committed to building and enhancing our capability to convert technical audit findings into valuable resources for the public sector.

## Grant Hehir's contribution to auditing

Finally, I'd like to acknowledge the former Auditor-General for Australia, Mr Grant Hehir, who retired in mid-February 2024. Grant executed his functions and other duties with dignity, respect and independence. His commitment to transparency of public sector performance was a hallmark of his approach. I'm pleased that his vision for the auditing of non-financial performance information, contained in performance statements, has moved forward and the ANAO will continue to bring assurance of this important information to the Parliament into the future. This is the first new audit function for the ANAO since the 1980s when performance auditing was introduced.

Grant had an impact in supporting public auditors in the Pacific in his role as Chair of the Governing Board of PASAI; and through his strong relationships with the Auditor-General in Papua New Guinea and the Chair of the Audit Board of Indonesia, we shared and learned. Likewise, his leadership in the Australasian Council of Auditors-General was regarded as exemplary.

Importantly, Grant also ensured the ANAO never lost sight of its role in supporting the Parliament. This drove his commitment to quality in all that we do. His approach to appearing in the Parliament in a respectful and helpful way is a benchmark for all senior public officials. His leadership within the ANAO was highly regarded and has set a high standard for all of us for the future. The success of the ANAO's performance for 2023–24 was largely due to his investment in our purpose and capability and sets us up well for the future. On behalf of the ANAO, we thank him for his service through his role as Auditor-General for Australia.

Dr Caralee McLiesh PSM has been appointed as the 16th Auditor-General for Australia. I am looking forward to working with her to continue the important work of the ANAO when her term commences on 4 November 2024.

Rona Mellor PSM  
Acting Auditor-General



Performance measures achieved in 2023–24:



Program 1.1:  
Financial statements  
audit services



Program 1.2:  
Performance audit  
services



Program 1.3:  
Performance statements  
audit services



Relationships, corporate  
and professional  
services



Completed **245**  
financial  
statements audits

against a target of **247**

issuing **92%** of financial  
statements audit  
reports in time for  
entity's annual reporting



85%

Tabled **45**  
performance  
audit reports  
against a  
target of **45**



**99%**

of recommendations included  
in performance reports  
agreed to by audited entities,  
against a target of **90%**



Completed **10** performance statements audits  
against a target of **10**

## Part 2 — Overview of the ANAO

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This part provides an overview of the ANAO's purpose, role and values, our organisational structure, and our relationships with the Australian Parliament and other national and international bodies.

### About the ANAO

The Australian National Audit Office (ANAO) is a specialist public sector agency providing a full range of audit and assurance services to the Parliament and entities within the Australian Government sector. It works to improve public sector performance and accountability through independent reporting on Australian Government administration to the Parliament, the executive government and the public.

The *Auditor-General Act 1997* establishes the Auditor-General as an independent officer of the Parliament. While the ANAO resides within the Prime Minister and Cabinet portfolio, the normal relationship between ministers and their portfolio agency heads does not apply to the independent work of the Auditor-General and the ANAO.

### Purpose

The purpose of the ANAO is to support accountability and transparency in the Australian Government sector through independent reporting to the Parliament, and thereby contribute to improved public sector performance.

The ANAO delivers its purpose under the Auditor-General's mandate as set out in the *Auditor-General Act 1997*, and in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Public Service Act 1999*.

The executive arm of government is accountable to the Parliament for its use of public resources and the administration of legislation passed by the Parliament. The Auditor-General provides independent assurance as to whether the executive is operating and accounting for its performance in accordance with the Parliament's intent.

### Role

The Governor-General, on the recommendation of the Joint Committee of Public Accounts and Audit (JCPAA) and the Prime Minister, appoints the Auditor-General for a term of 10 years. As an independent officer of the Parliament, the Auditor-General has complete discretion in performing or exercising the functions or powers under the *Auditor-General Act 1997* (the Act). In particular, the Auditor-General is not subject to direction in relation to:

- whether a particular audit is to be conducted;
- the way a particular audit is to be conducted; or
- the priority given to any particular matter.

In exercising the functions or powers under the Act, the Auditor-General must have regard to the audit priorities of the Parliament, as determined by the JCPAA, and any reports made by the committee under the *Public Accounts and Audit Committee Act 1951*.



Under the Act, the Auditor-General's functions include:

- auditing the annual financial statements of Commonwealth entities, and Commonwealth companies and their subsidiaries (section 11 of the Act);
- auditing the annual consolidated financial statements in accordance with the PGPA Act (section 12 of the Act);
- auditing annual performance statements of Commonwealth entities in accordance with the PGPA Act (section 15 of the Act);
- conducting performance audits and assurance reviews of Commonwealth entities and Commonwealth companies and their subsidiaries (sections 17 and 18 of the Act);
- conducting a performance audit of a Commonwealth partner (section 18B of the Act);
- providing other audit services as required by other legislation or allowed under section 20 of the Act; and
- reporting directly to the Parliament on any matter or to a minister on any important matter.

The ANAO supports the Auditor-General in this role.

## Values

The ANAO upholds the Australian Public Service (APS) Values as set out in the *Public Service Act 1999*. The ANAO places particular focus on respect, integrity and excellence — values that align with the APS Values and address the unique aspects of the ANAO's business and operating environment. The ANAO's values guide the office in performing its role objectively, with impartiality, and in a manner that supports the Parliament.

## Organisational structure

To deliver on its purpose, the ANAO is organised into six functional areas:

- **Financial Statements Audit Services Group** provides independent assurance on the financial statements and financial administration of all Australian Government entities. It also conducts assurance reviews.
- **Performance Audit Services Group** conducts performance audits and assurance reviews of Australian Government entities and their activities, and produces performance audit publications, including the annual major projects report on Defence equipment acquisitions, and information reports.
- **Performance Statements Audit Services Group** conducts audits of Australian Government entities' annual performance statements and measures.
- **Corporate Management Group** leads corporate strategy, assurance and operations for the ANAO. It provides enabling services based on specialised knowledge in the areas of finance, human resources, information technology, governance, communications, parliamentary engagement, change management, legal support and the management of the ANAO's external relations.

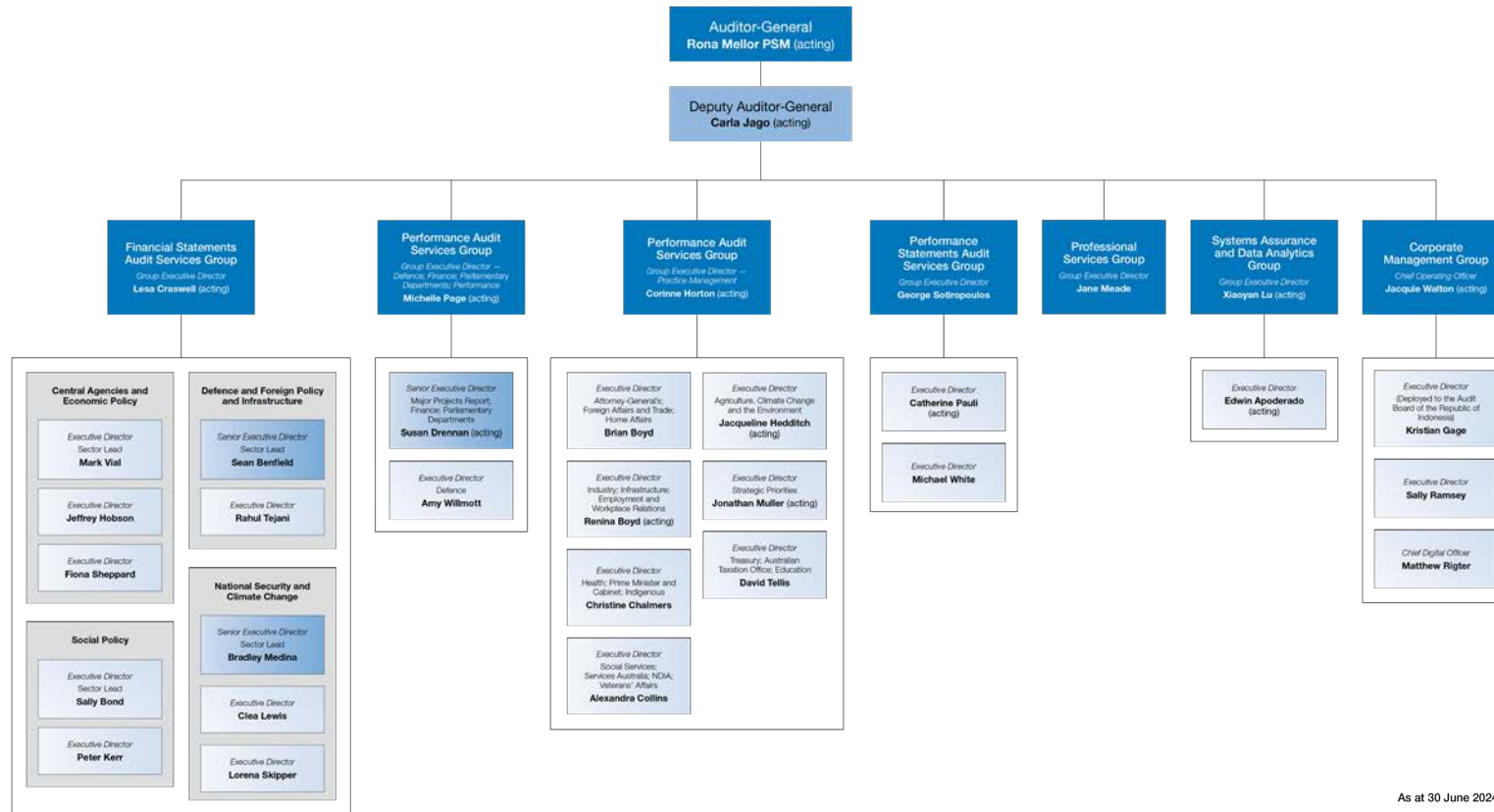
- **Professional Services Group**<sup>1</sup> provides technical accounting, audit advice and support to the Auditor-General; and establishes, manages and monitors the implementation of the quality management and integrity frameworks.
- **Systems Assurance and Data Analytics Group** provides IT and data analytics support to the ANAO's full range of audit work.

The ANAO's organisational structure at 30 June 2024 is shown in Figure 2.1.

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1 Professional Services and Relationships Group was renamed 'Professional Services Group' from 2 January 2024, following an organisational change endorsed by the Auditor-General.

Figure 2.1: Organisational structure at 30 June 2024



As at 30 June 2024

Notes: NDIA stands for National Disability Insurance Agency.

Performance Audit Services Group Executive Director, Strategic Priorities was succeeded by Daniel Whyte as of 8 August 2024.

## Relationships

In pursuing its purpose, the ANAO maintains key relationships with the Parliament, various national bodies and counterparts, as well as international counterparts, as described below.

The ANAO's engagement strategies detail our approach to key relationships with the Parliament, peers in the public sector auditing community, and the public sector.

The ANAO website contains further information about the ANAO's relationships.

### Parliament

The ANAO's primary relationship is with the Australian Parliament, and the ANAO's key interaction with the Parliament is through the Joint Committee of Public Accounts and Audit (JCPAA). The Auditor-General's reports assist the Parliament to hold government entities to account and to drive improvements in public administration. The Auditor-General and ANAO support the work of the Parliament by providing independent reporting, assurance and assistance. The ANAO's assistance includes the provision of submissions and information, appearances before parliamentary committees, and briefings to parliamentarians. The Parliament and its committees also scrutinise the work and administration of the ANAO.

### Joint Committee of Public Accounts and Audit

Among its responsibilities, the JCPAA considers the operations and resources of the ANAO, including the ANAO draft budget estimates, about which it makes recommendations to both houses of parliament. The JCPAA is required to review all ANAO reports that are tabled in the Parliament and to report the results of its deliberations to both houses of parliament. The committee's functions in relation to the ANAO are specified in the [Public Accounts and Audit Committee Act 1951](#). The JCPAA of the 47th Parliament commenced on 26 July 2022.

The JCPAA commenced four inquiries reviewing Auditor-General reports throughout 2023–24 and tabled four reports adopted in 2022–23.<sup>2</sup> As at 30 June 2024, four inquiries remain in progress. An outline of inquiries and JCPAA reports is provided in Table 2.1.

On 2 September 2020, the JCPAA resolved to undertake a review of the *Auditor-General Act 1997*. The JCPAA tabled Report 491: *Review of the Auditor-General Act 1997* on 31 March 2022. The report included 27 recommendations (six directed to the ANAO) on independence and interaction of the *Auditor-General Act 1997* with other legislation. The ANAO provided an implementation update on recommendation no.26 on 4 October 2023. At 30 June 2024, the ANAO has one remaining recommendation to address out of the six recommendations directed to the ANAO.

In 2023–24, ANAO officers provided a total of eight private briefings and attended 19 public hearings to assist the committee in undertaking its functions.

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2 The JCPAA report on the inquiry into procurement at Services Australia and the National Disability Insurance Agency is not included in the count of tabled reports as this inquiry is not based on Auditor-General reports.

Table 2.1: JCPAA inquiries and reports in 2023–24

Inquiry status	Inquiry	Relevant Auditor-General reports
Concluded Report 498	<a href="#">Commonwealth procurement: Inquiry into Auditor-General reports 6, 15, 30, 42 (2021–22) and 5 (2022–23)</a>	Auditor-General Report No.6 2021–22 <a href="#">Management of the Civil Maritime Surveillance Services Contract</a> Auditor-General Report No.15 2021–22 <a href="#">Department of Defence’s Procurement of Six Evolved Cape Class Patrol Boats</a> Auditor-General Report No.30 2021–22 <a href="#">Procurement by the National Capital Authority</a> Auditor-General Report No.42 2021–22 <a href="#">Procurement of Delivery Partners for the Entrepreneurs’ Programme</a> Auditor-General Report No.5 2022–23 <a href="#">Digital Transformation Agency’s Procurement of ICT-Related Services</a>
Concluded <a href="#">Interim Report 496</a> Final Report 503	<a href="#">Inquiry into the Defence Major Projects Report 2020–21 and 2021–22 and procurement of Hunter class frigates</a>	Auditor-General Report No.13 2021–22 <a href="#">2020–21 Major Projects Report</a> Auditor-General Report No.12 2022–23 <a href="#">2021–22 Major Projects Report</a> Auditor-General Report No.21 2022–23 <a href="#">Department of Defence’s Procurement of Hunter Class Frigates</a>
Concluded Report 499	<a href="#">Inquiry into the annual performance statements 2021–22</a>	Auditor-General Report No.13 2022–23 <a href="#">Audits of the Annual Performance Statements of Australian Government Entities — 2021–22</a>
Concluded Report 502	<a href="#">Inquiry into probity and ethics in the Australian public sector</a>	Auditor-General Report No.18 2022–23 <a href="#">Acquisition, Management and Leasing of Artworks by Artbank</a> Auditor-General Report No.30 2022–23 <a href="#">Probity Management in Financial Regulators — Australian Prudential Regulation Authority</a> Auditor-General Report No.31 2022–23 <a href="#">Administration of the Community Health and Hospitals Program</a> Auditor-General Report No.36 2022–23 <a href="#">Probity Management in Financial Regulators — Australian Securities and Investments Commission</a> Auditor-General Report No.38 2022–23 <a href="#">Probity Management in Financial Regulators — Australian Competition and Consumer Commission</a>
In progress	<a href="#">Inquiry into Commonwealth financial statements 2022–23</a>	Auditor-General Report No.9 2023–24 <a href="#">Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2023</a>
In progress	<a href="#">Inquiry into policy and program design and implementation</a>	Auditor-General Report No.6 2022–23 <a href="#">Implementation of the Export Control Legislative Framework</a> Auditor-General Report No.10 2022–23 <a href="#">Expansion of Telehealth Services</a>

Inquiry status	Inquiry	Relevant Auditor-General reports
		<p>Auditor-General Report No.16 2022–23 <a href="#"><u>Management of Migration to Australia Family Migration Program</u></a></p> <p>Auditor-General Report No.17 2022–23 <a href="#"><u>Department of Agriculture, Fisheries and Forestry's Cultural Reform</u></a></p> <p>Auditor-General Report No.39 2022–23 <a href="#"><u>Implementation of the Government Response to the Black Economy Taskforce Report</u></a></p> <p>Auditor-General Report No.42 2022–23 <a href="#"><u>Access and Participation Programs for Regional and Remote Students</u></a></p>
In progress	<a href="#"><u>Inquiry into the 2022–23 Major Projects Report</u></a>	Auditor-General Report No.14 2023–24 <a href="#"><u>2022–23 Major Projects Report</u></a>
In progress	<a href="#"><u>Inquiry into the failed visa privatisation process and the implementation of other public sector IT procurements and projects</u></a>	<p>Auditor-General Report No.12 2023–24 <a href="#"><u>Administration of the Parliamentary Expenses Management System</u></a></p> <p>Auditor-General Report No.7 2023–24 <a href="#"><u>Establishment of the Workforce Australia Services Panel</u></a></p> <p>Auditor-General Report No.34 2022–23 <a href="#"><u>Procurement of the Permissions Capability</u></a></p> <p>Auditor-General Report No.1 2021–22 <a href="#"><u>Defence's Administration of Enabling Services — Enterprise Resource Planning Program: Tranche 1</u></a></p> <p>Auditor-General Report No.10 2020–21 <a href="#"><u>System Redevelopment — Managing Risks While Planning Transition</u></a></p> <p>Auditor-General Report No.13 2019–20 <a href="#"><u>Implementation of the My Health Record System</u></a></p> <p>Auditor-General Report No.4 2019–20 <a href="#"><u>OneSKY: Contractual Arrangements</u></a></p> <p>Auditor-General Report No.24 2018–19 <a href="#"><u>The Australian Criminal Intelligence Commission's Administration of the Biometric Identification Services Project</u></a></p>

## National relationships

In addition to its relationship with the Parliament, the ANAO has important relationships with the accountable authorities of Australian Government entities, the Australasian Council of Auditors-General (which includes the state and territory auditors-general), and professional accounting bodies and standard-setting boards.

## Accountable authorities

Accountable authorities of Australian Government entities have primary responsibility for and control over their entity's operations. As such, the ANAO's work focuses on the duties and responsibilities of accountable authorities (including the proper use and/or management of public

resources) and the governance frameworks that accountable authorities put in place in their entities. The ANAO engages with entities at a number of levels to strengthen relationships and promote improved financial reporting and public sector administration, including through attendance at entity audit committees.

The ANAO's ongoing relationships with chief financial officers (CFOs), officials responsible for preparing performance statements, and audit committees help the ANAO achieve its purpose to both support accountability and transparency in the Australian Government sector and improve public sector performance. As part of this work, the ANAO conducts forums for CFOs and officials responsible for preparing performance statements, and for audit committee chairs, to share insights on emerging and topical audit issues and requirements affecting Australian Government entities.

In 2023–24, the ANAO hosted the Financial and Performance Reporting Forum (formerly the CFO forum) on two occasions — in July 2023 and December 2023. The forums were attended by approximately 136 and 129 CFOs and entity representatives, respectively. The ANAO presented the forums as webinars, providing the opportunity to share information about issues arising in audits and key focus areas of the audit program, including IT general controls and cybersecurity, and developments in performance statements audits. The ANAO published recordings of the webinars on its website after each live delivery.

Audit committees are a requirement of the PGPA Act and play an important assurance role in entities' governance frameworks. The ANAO presented forums for audit committee chairs in person and virtually in July 2023 and December 2023. The forums were attended by 57 and 63 audit committee chairs, respectively. The forums provided an opportunity to share insights from the audit program, and relevant updates and information, to assist committees to meet the requirements of the PGPA Act and associated rules. The ANAO published a communiqué on its website after each forum.

### **Australasian Council of Auditors-General**

The Auditor-General is a member of the Australasian Council of Auditors-General (ACAG), which comprises the auditors-general of Australia, New Zealand, Papua New Guinea and Fiji, along with the auditors-general of each Australian state and territory. ACAG's objective is to promote and strengthen public sector audit in Australasia through leadership, collaboration, engagement, advocacy and peer support. The ANAO contributes to ACAG's work by attending business meetings and subcommittee meetings, preparing discussion papers, participating in information exchanges, contributing to submissions to standard-setting bodies, undertaking annual benchmarking and client surveys, and conducting peer reviews.

### **Professional accounting bodies and standard-setting boards**

The ANAO is actively involved in the work of two professional accounting bodies in Australia, CPA Australia and Chartered Accountants Australia and New Zealand (CA ANZ). Ms Carla Jago, acting Deputy Auditor-General, is a member of CA ANZ's ACT Regional Council as well as a member of the CA ANZ Council. The ANAO has recognised employer status under CPA Australia's Recognised Employer Program, which includes organisations that are committed to providing their employees with the highest standard in professional development and support.

The ANAO provides input to the development of accounting and auditing standards through contributing to ACAG responses to exposure drafts for new or amended standards proposed by the Australian Accounting Standards Board, the Auditing and Assurance Standards Board, the Accounting Professional and Ethical Standards Board, and the International Public Sector Accounting Standards Board.

## International relationships

The ANAO engages with international auditing organisations and associations to maintain its capability in contemporary audit practices, and actively seeks opportunities to collaborate and share information with the international auditing community. The ANAO participates in peer-to-peer forums that facilitate international public auditing dialogue and align with the strategic objectives and key focus areas set out in the ANAO's strategic planning framework. The ANAO has established bilateral capacity-building partnerships with Indonesia and Papua New Guinea under Australia's international development program.

## Engagement with international audit institutions

The supreme audit institution (SAI) is the highest public sector auditing function of the state or supranational organisation. Engagement with other SAIs allows the ANAO to participate in international dialogue on best-practice public administration and developments in public sector auditing. The ANAO responds to requests from SAIs directly, including by hosting and presenting to visiting delegations, providing information and participating in surveys. The ANAO's international peer engagements also enable the ANAO's commitment to being a learning organisation and provides the opportunity for the ANAO to learn about the work of other audit offices, discuss common challenges, and gain a deeper understanding of international best practice. International engagements are aligned with the ANAO's strategic interests and developments in the Australian public sector, such as environmental auditing and IT and data practices.

In 2023–24, in-person engagements returned to pre-COVID-19 levels and many international events were delivered in a face-to-face format only. Virtual engagements also continued throughout the year.

The ANAO is a member of the International Organization of Supreme Audit Institutions (INTOSAI). INTOSAI's mission is to support its members in contributing effectively to the accountability of the public sector, promoting public transparency and good governance, and fostering economical, effective and efficient government programs for the benefit of all.

The ANAO is a member of the three INTOSAI working groups and one subcommittee:

- the Working Group on IT Audit;
- the Working Group on Environmental Auditing;
- the Working Group on Impact of Science and Technology on Auditing; and
- the Performance Audit Subcommittee.

The ANAO has a representative member on the Forum for INTOSAI Professional Pronouncements (FIPP). The FIPP aims to support professional development by ensuring that INTOSAI provides a clear and consistent set of professional audit standards. The FIPP achieves this by reviewing and monitoring INTOSAI's framework of professional pronouncements. In 2023–24, Ms Jane Meade, Group Executive Director, Professional Services Group, continued to be a member of the forum.

The ANAO participates in annual conferences and virtual meetings for each of these working groups and the Performance Audit Subcommittee.



The ANAO also routinely contributes to the activities of two INTOSAI regional organisations:

- the Asian Organization of Supreme Audit Institutions (ASOSAI); and
- the Pacific Association of Supreme Audit Institutions (PASAI).

In 2023–24, the Auditor-General and ANAO officials participated in several international engagements to discuss contemporary audit practices and specific areas of development in public sector audit, as listed below.

#### *International Organization of Supreme Audit Institutions*

- 32nd annual meeting of the Working Group on IT Audit in the United Arab Emirates in October 2023, attended by one ANAO official;
- Forum for INTOSAI Professional Pronouncements in Austria in November 2023, attended by one ANAO official, and virtual meetings attended by one ANAO official in September 2023, January 2024, March 2024, May 2024 and June 2024;
- International training on Sustainable Development Goals auditing with a focus on the energy transition as a part of the green economy, a collaborative initiative of the Audit Board of the Republic of Indonesia and INTOSAI’s Working Group on Environmental Auditing, in Indonesia in November–December 2023, attended by two ANAO officials;
- 22nd assembly of the Working Group on Environmental Auditing in Finland in January 2024, attended by one ANAO official;
- 15th annual meeting of the Performance Audit Subcommittee in Georgia in March 2024, attended by one ANAO official;
- Meeting to discuss the Working Group on Environmental Auditing’s ClimateScanner project, an initiative that aims to develop and disseminate a rapid review method and tool for assessing government action on climate change, in Fiji in June 2024, attended by one ANAO official; and
- Virtual participation by two ANAO officials in meetings of the Task Force on INTOSAI Auditor Professionalisation.

#### *Pacific Association of Supreme Audit Institutions*

- 14th Annual General Meeting (virtual) in September 2023, attended by the Deputy Auditor-General;
- Governance and Leadership Women Symposium in Samoa in February 2024, attended by one ANAO official;
- 25th Congress hosted by Cook Islands in May 2024, attended by the Acting Deputy Auditor-General and one other ANAO official; and
- IntoSAINT (INTOSAI Self-Assessment of Integrity) assessment of the Office of the Auditor-General of Fiji in June 2024, attended by one ANAO official.

#### *Asian Organization of Supreme Audit Institutions*

- International seminar on ‘How to meet the public expectation on supreme audit institutions’ in Indonesia in December 2023, attended by one ANAO official; and
- Participation in a meeting of the 13th ASOSAI research project on ‘Remote audit for supreme audit institutions: Future and challenges’, in collaboration with the Audit Board of the Republic of Indonesia as project leader, attended by one ANAO official.

## *Other forums*

- 18th Joint Strike Fighter Supreme Audit Institution Conference in Denmark in October 2023, attended by one ANAO official; and
- Meeting of the MIKTA (Mexico, Indonesia, Republic of Korea, Türkiye and Australia) supreme audit institution group in Korea in May 2024, attended by one ANAO official.

## **Australia’s international development program**

The ANAO, through a partnership agreement with the Department of Foreign Affairs and Trade, is participating in Australia’s international development program to assist and support the audit offices of Indonesia and Papua New Guinea to build institutional capacity and facilitate the sharing of auditing knowledge across all three organisations. The partnership supports the Australian Government’s sectoral development initiative to build effective governance institutions and strengthen institutional relationships.

### *Australia–Indonesia Partnership for Economic Development (Prospera)*

The ANAO’s activities under the Australia–Indonesia Partnership for Economic Development (Prospera) with the Audit Board of the Republic of Indonesia (Badan Pemeriksa Keuangan — BPK) continue to support BPK’s efforts to strengthen its audit functions. The program is aligned with the BPK’s strategic plan objectives of delivering beneficial and high-quality audits and has been pivotal in facilitating knowledge exchange between the ANAO and BPK. The key focus areas of the 2023–24 work program were on performance and financial audit management, quality assurance systems and processes, and strategic leadership and organisational development to support audit management and capability. Recognising the maturity of the partnership, in addition to supporting the development of audit and organisational capability, the ANAO engaged with BPK on topics of mutual interest and benefit to both offices. A new area of engagement in 2023–24 was on auditing performance information.

A mix of in-person and virtual delivery methods continued throughout 2023–24, to maintain broader outreach and engagement, supported by the deployed ANAO officer. The deployed officer, whose term was extended for a further 12 months to August 2025, continued to play a critical role in meeting program objectives.

The ANAO, in partnership with BPK, delivered 16 of the 17 planned activities for 2023–24. Following the resignation of Mr Grant Hehir as Auditor-General in February 2024, the planned senior management dialogue has been deferred until 2024–25. During the reporting period, the ANAO hosted nine secondees from BPK for various activities under the Prospera program, with a focus on technical knowledge transfer and training. These activities strengthened the relationship between the two organisations and deepened opportunities for two-way learning.

### *Papua New Guinea Institutional Partnerships Program*

The Papua New Guinea (PNG) Institutional Partnerships Program supports the development of long-term institutional relationships between Australian and PNG government entities. The ANAO’s activities under the program support the efforts of the PNG Auditor-General’s Office (PNG AGO) to strengthen the management of its audit functions, in line with the objectives set out in the PNG AGO’s Strategic Plan 2022–2027. The focus areas of the 2023–24 work program were management of institutional linkages, quality assurance, performance audit, information technology audit support, governance frameworks, and organisational capacity development.

In 2022–23, the ANAO’s financial statements audit and compliance adviser to the PNG AGO completed their deployment and returned to Australia. A new adviser commenced in September 2023 to continue the support provided to the PNG AGO through this role. Both the senior adviser and financial and compliance audit adviser have continued to play a critical role in the delivery of program objectives.

The ANAO, in partnership with the PNG AGO, delivered 11 of the 12 planned activities for 2023–24 across three streams: supporting organisational development; supporting individual development and leadership capabilities; and technical audit support and training. A planned high-level visit to support the PNG AGO to host its first meeting of the Australasian Council of Auditors-General did not proceed as planned in May 2024 and was deferred to October 2024. The funds for this activity supported a visit of three senior ANAO officials to the PNG AGO to provide leadership on financial statements audit and corporate functions.

# Part 3 — Report on performance

## INDEPENDENT ASSURANCE REPORT TO THE PRESIDENT OF THE SENATE AND SPEAKER OF THE HOUSE OF REPRESENTATIVES

### Independent Assurance Report on the 30 June 2024 Annual Performance Statements of the Australian National Audit Office

#### Conclusion

In my opinion, in all material respects, the annual performance statements of the Australian National Audit Office for the period 1 July 2023 to 30 June 2024 has been prepared in accordance with the criteria set out below.

#### Audit Criteria

In order to assess the Australian National Audit Office's annual performance statements, I applied the following criteria:

- whether the Australian National Audit Office's key activities, performance measures and specified targets are appropriate to measure and assess the entity's performance in achieving its purpose for the period 1 July 2023 to 30 June 2024
- whether the annual performance statements are prepared based upon appropriate records that properly record and explain the Australian National Audit Office's performance for the period 1 July 2023 to 30 June 2024, and
- whether the annual performance statements present fairly the Australian National Audit Office's performance in achieving the entity's purpose for the period 1 July 2023 to 30 June 2024.

These criteria have been drawn from Division 3 of Part 2-3 of the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act) and the accompanying *Public Governance, Performance and Accountability Rule 2014* (the PGPA Rule).

#### Basis for Conclusion

I have conducted my work in accordance with the *Australian Standard on Assurance Engagements, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ASAE 3000)*. I believe that the assurance evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

In accordance with *ASAE 3000* I have:

- used my professional judgement to assess the risk of material misstatement, plan and perform the engagement to obtain reasonable assurance that the annual performance statements for the period 1 July 2023 to 30 June 2024 is free from material misstatement, whether due to fraud or error
- considered relevant internal controls when designing my assurance procedures; however, I do not express a conclusion on their effectiveness, and
- ensured that my engagement team possesses the appropriate knowledge, skills and professional competencies.

#### Accountable Authority's Responsibilities

As the Accountable Authority of the Australian National Audit Office, the Auditor-General is responsible under the PGPA Act for:

- the preparation and fair presentation of annual performance statements that accurately reflect the Australian National Audit Office's performance for the period 1 July 2023 to 30 June 2024 and comply with the PGPA Act and PGPA Rule
- keeping records about the Australian National Audit Office's performance in accordance with requirements prescribed by the PGPA Act
- establishing internal controls that the Accountable Authority determines are necessary to enable the preparation and presentation of the annual performance statements that are free from material misstatement, whether due to fraud or error, and
- determining that the criteria are appropriate to meet their needs.

*Liability limited by a scheme approved under Professional Standards Legislation*

### **My Responsibility**

My responsibility is to perform a reasonable assurance engagement in relation to the Australian National Audit Office's annual performance statement for the period 1 July 2023 to 30 June 2024, and to issue an assurance report that includes my conclusion.

### **Inherent Limitations**

There is an unavoidable risk that work planned and executed in accordance with *Australian Auditing Standards* including *ASAE 3000* may not detect a fraud, error or non-compliance with laws and regulations, particularly where there has been concealment through collusion, forgery and other illegal acts. There are inherent limitations in performing such work. For example, work is based on selective testing of the information being examined and therefore errors and irregularities may not be detected. However, I will communicate to Australian National Audit Office, as appropriate, any such matters that come to my attention.

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement when it exists. Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users of the report.

### **Use of the Report**

This report was prepared for the President of the Senate and the Speaker of the House of Representatives for the purpose of providing an assurance conclusion on the Australian National Audit Office's annual performance statements for the period 1 July 2023 to 30 June 2024 and may not be suitable for another purpose. I disclaim any assumption of responsibility for any reliance on my report, to any person other than the President of the Senate or the Speaker of the House of Representatives, or for any other purpose than that for which it was prepared.

### **Independence and Quality Control**

I have complied with the independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of *Australian Standard on Quality Management (ASQM) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* to maintain a comprehensive system of quality control.



Shane Bellchambers, FCA  
Independent Auditor  
Canberra, ACT

Dated this 9<sup>th</sup> day of August 2024

## Annual performance statements

As the accountable authority of the Australian National Audit Office (ANAO), I present the 2023–24 annual performance statements as required under subsection 39(1)(a) and (b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and section 16F of the Public Governance, Performance and Accountability Rule 2014.

In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity for the reporting period and comply with subsection 39(2) of the PGPA Act.

A handwritten signature in black ink, appearing to read 'Rona Mellor', with a large, stylized initial 'R'.

Rona Mellor PSM  
Acting Auditor-General  
9 August 2024



## Performance framework

The ANAO's performance framework allows us to monitor and measure:

- what we did (output);
- how well we did it (quality and/or efficiency); and
- what the benefits were (effectiveness/or impact).

Taken together, the performance measures tell a story of the ANAO's achievement of its purpose.

The output measures relay progress in the delivery of the ANAO's audit work. This work provides transparency and holds executive government to account by supporting the consideration and scrutiny by Parliament.

The ANAO performance framework also includes measures relating to quality and efficiency. The quality and efficiency measures are intended to demonstrate efficient use of taxpayer resources and a commitment to quality in our work.

The effectiveness and impact measures provide information on entities' implementation of audit findings and recommendations, and the extent to which the Parliament's engagement with our work leads to improvements in public sector administration.

## Corporate plan and portfolio budget statements

The ANAO measures its performance against its purpose using a range of performance measures, which are outlined in the Portfolio Budget Statements 2023–24 and the ANAO's Corporate Plan 2023–24.

The purpose of the ANAO is to support accountability and transparency in the Australian Government sector through independent reporting to the Parliament, and thereby contribute to improved public sector performance.

In its Portfolio Budget Statements 2023–24, the ANAO's sole outcome (Outcome 1) is 'to improve public sector performance and accountability through independent reporting on Australian Government administration to the Parliament, the Executive and the public'.

The ANAO seeks to achieve its purpose and outcome through its audit services, which include:

- Program 1.1: Financial Statements Audit Services;
- Program 1.2: Performance Audit Services;
- Program 1.3: Performance Statements Audit Services; and
- Shared performance criteria for Programs 1.1, 1.2 and 1.3.

The ANAO's outcome and programs framework for 2023–24 is shown in Table 3.1.

**Table 3.1: ANAO’s outcome and programs framework for 2023–24**

<b>OUTCOME 1</b>
To improve public sector performance and accountability through independent reporting on Australian Government administration to the Parliament, the Executive, and the public.
<b>Program 1.1: Financial Statements Audit Services</b>
This program contributes to the outcome through: <ul style="list-style-type: none"> <li>• providing assurance on the fair presentation of financial statements of the Australian Government and its controlled entities by providing independent audit opinions for the Parliament, the executive government and the public;</li> <li>• presenting two reports annually addressing the outcomes of the financial statements audits of Australian Government entities and the consolidated financial statements of the Australian Government, to provide the Parliament with an independent examination of the financial accounting and reporting of public sector entities; and</li> <li>• contributing to improvements in the financial administration of Australian Government entities.</li> </ul>
<b>Program 1.2: Performance Audit Services</b>
This program contributes to the outcome through: <ul style="list-style-type: none"> <li>• audits of the performance of Australian Government programs and entities, including identifying opportunities for improvements and lessons for the sector.</li> </ul>
<b>Program 1.3: Performance Statements Audit Services</b>
This program contributes to the outcome through: <ul style="list-style-type: none"> <li>• audits of the performance statements of selected Australian Government entities.</li> </ul>
<b>Shared performance criteria for Programs 1.1, 1.2 and 1.3</b>
The ANAO has a number of performance criteria that apply to programs 1.1, 1.2 and 1.3, and are reported on collectively. All programs contribute to the outcome by: <ul style="list-style-type: none"> <li>• facilitating dissemination of the ANAO’s findings to members of parliament, the executive government and the public;</li> <li>• providing organisation-wide support services for the ANAO, based on specialised knowledge, professional practice, and technology; and</li> <li>• ensuring ANAO audits are of high quality and compliant with auditing standards.</li> </ul>

## Analysis of performance against our purpose

Overall, in 2023–24, the ANAO achieved 12 performance measures out of 17, an increase in the number of performance outcomes achieved in 2022–23:

- For Program 1.1: Financial Statements Audit Services, two out of five measures were met.
- For Program 1.2: Performance Audit Services, four out of four measures were met.
- For Program 1.3: Performance Statements Audit Services, four out of five measures were met.
- For relationships, corporate and professional services, two out of three measures were met.

The ANAO carried out its annual audit work program for 2023–24, having regard to the priorities and interests of the Parliament and providing a balanced program of activity that was informed by risk.

Through the audit program, the ANAO promoted accountability, transparency and improvements to public administration; followed up on past recommendations; identified trends for improvement or declines in performance across the public sector; and applied all of the Auditor-General’s mandate.



The ANAO Corporate Plan 2023–24 was updated on 26 March 2024 to reflect the following changes:

- organisational structure changes — changed ‘Professional Services and Relationships Group’ to ‘Professional Services Group’
- Measure 3 — change type from ‘Efficiency / Qualitative’ to ‘Efficiency / Quantitative’
- Measure 15, reporting mechanism 4 — replaced text to reflect updated JCPAA feedback process
- Measure 16, reporting mechanism 3 — replaced references to ‘insights’ with ‘lessons’

The following sections provide more detailed analysis of the ANAO’s performance results for Program 1.1: Financial Statements Audit Services, Program 1.2: Performance Audit Services, Program 1.3: Performance Statements Audit Services and ANAO-wide activities relating to relationships and corporate and professional services.

## Performance results for Program 1.1: Financial Statements Audit Services

The primary purpose of financial statements is to provide relevant and reliable information to users about a reporting entity’s financial performance and position. The preparation of timely and accurate audited financial statements is an important indicator of the effectiveness of an entity’s financial management, which fosters confidence in an entity on the part of users.

The ANAO’s financial statements audits, undertaken in accordance with the ANAO Auditing Standards, provide an independent examination of the financial accounting and reporting of public sector entities. They provide independent assurance that financial statements have been prepared in accordance with the Australian Government’s financial reporting framework and Australian accounting standards and present fairly the financial performance of the entity. The ANAO’s assurance audits contribute to improvements in the financial administration of Australian Government entities.

The Auditor-General presents reports on audits of financial statements to the Parliament twice a year. The first of these reports, *Interim Report on Key Financial Controls of Major Entities*, reports on ANAO coverage of key financial systems and controls in major Commonwealth entities. The second report, *Audits of the Financial Statements of Australian Government Entities*, reports on the results of the financial statements audits of all Commonwealth entities. The independent reporting to the Parliament on this activity supports accountability and transparency in the Australian Government sector.

### Performance measures

To assess performance against our purpose in relation to financial statements audit activities, the ANAO measures the:

- number of mandated financial statements audit reports issued;
- percentage of mandated financial statements audit reports issued in time to meet entity annual reporting timeframes;
- average cost of a financial statements audit;
- percentage of moderate or significant findings from mandated financial statements audit reports agreed to by audited entities; and
- percentage of moderate or significant findings that are addressed by mandated audited entities within 24 months of reporting.

Measure 1		Number of mandated financial statements audit reports issued
Source	ANAO Corporate Plan 2023–24 Portfolio Budget Statements 2023–24, Program 1.1, p. 98	
Result	Achieved a result of 245 against a target of 247	<b>NOT MET</b>

The number of financial statements auditor’s reports issued is a key measure of the ANAO’s core business in achieving its purpose. Under the *Auditor-General Act 1997*, the Auditor-General’s functions include the mandatory auditing of the annual financial statements of Commonwealth entities, Commonwealth companies and their subsidiaries, and the consolidated financial statements. This measure reports on the number of those reports issued.

During 2023–24, the ANAO completed all of the 245 mandated financial statements audits for the year ended 30 June 2024. This included the consolidated financial statements of the Australian Government. While all 245 mandated financial statements audits were completed, this measure shows as not met due to the original measure specifying a target of 247 mandated financial statements audits. This number was set prior to changes as a result of machinery of government changes and movements in the number of corporate entities. The ANAO plans to revise the measure in the 2024–25 corporate plan to reflect a percentage rather than a number to better represent the completion of mandated audits.

Measure 2		Percentage of mandated financial statements audit reports issued in time to meet entity annual reporting timeframes
Source	ANAO Corporate Plan 2023–24 Portfolio Budget Statements 2023–24, Program 1.1, p. 98	
Result	Achieved a result of 91.84% against a target of 85%	<b>MET</b>

In order to support timely reporting of entities’ financial performance to the Parliament through annual reports, the ANAO aims to issue 85 per cent of auditor’s reports within three months of the financial year-end reporting date.

Providing timely auditor’s reports also supports entities in meeting requirements to provide audit cleared financial information to the Department of Finance in accordance with deadlines that are set to assist the Australian Government to prepare the Final Budget Outcome by 30 September for the financial statements with 30 June year end, and the consolidated financial statements by 30 November each year. The consolidated financial statements present whole-of-government financial results, inclusive of all Australian Government-controlled entities.

Achievement of this measure relies on entities providing the ANAO with auditable financial statements within the required timeframe. The ANAO reported in the end of year report that 72 per cent of entities delivered financial statements in line with an agreed timetable.

Measure 3		Average cost of a financial statements audit does not increase from the prior year
Source	ANAO Corporate Plan 2023–24 Portfolio Budget Statements 2023–24, Program 1.1, p. 98	
Result	Achieved a result of 4.42% against a target of 0%	<b>NOT MET</b>

Delivering cost-effective audits is one way the ANAO can demonstrate the efficient use of taxpayer resources in our work. This measure captures the average cost of delivering mandated financial statements audits and allows comparison over time.

Increases in cost are attributed to:

- increased fees charged by contracted firms for audit work;
- additional work as a result of the changes to ASA 315 *Identifying and Assessing the Risks of Material Misstatement*;
- additional work on entity audits where there are large numbers of findings; and
- machinery of government changes related to the creation of new entities.

These increases have been partially offset by reductions in audit fees on entities where efficiencies in the audit have been found.

**Table 3.2: Cost of financial statements audit reports, 2020–21 to 2022–23**

Audit cycle	Percentage increase Target (%)	Average cost per mandated audit (\$)	Range of audit fees charged (\$)	Actual result (%)
2022–23	0	176,842	2,000–3,500,000	4.42
2021–22	0	169,350	5,500–3,675,000	4.97
2020–21	0	161,331	5,500–3,890,000	–1.79

Note: Cost is calculated on a nominal cost recovery basis using an accrual-based costing model.

Measure 4		Percentage of moderate or significant findings from mandated financial statements audit reports agreed to by audited entities
Source	ANAO Corporate Plan 2023–24 Portfolio Budget Statements 2023–24, Program 1.1, p. 99	
Result	Achieved a result of 97.92% against a target of 90%	<b>MET</b>

The ANAO provides entities with audit findings and recommendations to improve internal controls and business processes based on observations noted during the conduct of financial statements audits. These matters are reported to the accountable authority and copied to the chair of the audit committee and the chief financial officer via an interim management letter, a closing report or a final management letter. The ANAO seeks to confirm all factual observations concerning the audit findings with entities before finalising these reports. Included in the measure of agreed recommendations are situations where the audited entity agrees with the ANAO's factual observations, but the entity may suggest an alternative method to resolve the issue.

The audit findings and recommendations are reported using a rating scale whereby significant and moderate risk issues are reported individually to the audited entities, the relevant minister and the Parliament.<sup>3</sup> Lower risk issues are also reported individually to each entity, and in aggregate in the ANAO's reports to the Parliament.

A total of 196 findings (prior year: 205) were reported to entities as open as a result of the 2022–23 financial statements audits at the time of the end of year report. There are currently 195 open findings that have been agreed to by entities. These comprised nine significant (prior year: 5), 36 moderate (prior year: 35), 137 minor (prior year: 144) and 14 legislative findings (prior year: 21). The highest number of findings are in the categories of governance of legal and other matters impacting entity financial statements; IT governance including security, change management and user access; and accounting for and management of non-financial assets.

One moderate finding was disagreed.

All audit findings and recommendations are followed up as part of the audit of the following year's financial statements.

Measure 5 Percentage of moderate or significant findings that are addressed by mandated audited entities within 24 months of reporting	
Source	ANAO Corporate Plan 2023–24 Portfolio Budget Statements 2023–24, Program 1.1, p. 99
Result	Achieved a result of 85.71% against a target of 90% <b>NOT MET</b>

The ANAO measures the percentage of moderate and significant findings that are addressed by entities in order to measure the impact that the ANAO's audit work has on public administration. This measure captures findings (moderate and significant) that are addressed by audited material entities within 24 months, resulting in improvements to the public sector control environment. 'Addressed' means that the entity has responded to and actioned the audit finding. The ANAO reviews all findings during the interim and/or final phases of the annual financial statements audit process. The ANAO reports on entities' actions in response to findings in *the Interim Report on Key Financial Controls of Major Entities* and in an end-of-year report on the final results of the financial statements audits.

Audit findings are reported to entities at the conclusion of each year's financial statements audit. To determine whether these findings have been addressed by entities within 24 months of reporting, a full 24-month period is required from the audit cycle when the findings were raised. The audit cycle generally runs from October to September. Therefore, this performance measure for 2023–24 considers whether the audit findings in the 2020–21 audit cycle had been addressed by mandated entities within 24 months of reporting, which was up to the conclusion of the 2022–23 audit cycle.

During the 2020–21 audit cycle there were two significant and 19 moderate findings raised, of these 18 (two significant and 16 moderate) had been addressed by the conclusion of the 2022–23 audit cycle.

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3 Significant (Category A) issues are those that pose a significant business or financial management risk to the entity. These include issues that could result in a material misstatement of the entity's financial statements. Moderate (Category B) issues are those that pose a moderate business or financial management risk to the entity. These may include prior-year issues that have not been satisfactorily addressed.

## Performance results for Program 1.2: Performance Audit Services

The Auditor-General's functions or powers include conducting performance audits and assurance reviews (including the Defence Major Projects Report) of Commonwealth entities and Commonwealth companies and their subsidiaries. The ANAO's performance audit reports are tabled in the Parliament of Australia to support accountability and transparency and thereby contribute to improved public sector performance. Performance audit reports provide independent reporting that supports the Parliament to scrutinise the operations of executive government and the proper use of resources as required under the *Public Governance, Performance and Accountability Act 2013*, the *Public Service Act 1999* and any enabling legislation. The ANAO conducts performance audits in accordance with the ANAO Auditing Standards.

### Performance measures

To assess performance against our purpose in relation to performance audit activities, the ANAO measures the:

- number of performance audits presented to the Parliament;
- cost of these audits (our efficiency); and
- percentage of recommendations agreed to and the status of their implementation by entities (our impact and effectiveness).

Measure 6		Number of performance audit reports presented to Parliament	
Source	ANAO Corporate Plan 2023–24 Portfolio Budget Statements 2023–24, Program 1.2, p. 97		
Result	Achieved a result of 45 against a target of 45		<b>MET</b>

In 2023–24, the Auditor-General tabled 45 performance audit reports in the Parliament (Table 3.3) against a target of 45 performance audit reports.

In addition to the 45 performance audits tabled in the Parliament, the ANAO tabled Auditor-General Report No.14 2023–24 2022–23 Major Projects Report in February 2024. The Major Projects Report is an annual priority assurance review of the Department of Defence's (Defence's) major defence equipment acquisitions, undertaken under the *Auditor-General Act 1997* at the request of the Parliament's Joint Committee of Public Accounts and Audit (JCPAA). Its purpose is to provide information and assurance to the Parliament on the performance of selected acquisitions. The review includes information relating to the cost, schedule and progress towards delivery of required capability of individual projects as at 30 June each year.

**Table 3.3: Number of performance audit reports, 2016–17 to 2023–24**

Number of performance audit reports		
	Target	Result
2023–24	45	45
2022–23	42	40
2021–22	40	40
2020–21	42	42
2019–20	48	42
2018–19	48	48
2017–18	48	47

Measure 7 Average cost of a performance audit does not increase from the prior year	
<b>Source</b>	ANAO Corporate Plan 2023–24 Portfolio Budget Statements 2023–24, Program 1.2, p. 97
<b>Result</b>	Achieved a result of 4.96% decrease against a target of a greater than 0% reduction <b>MET</b>

The average cost of audits delivered in 2023–24 decreased compared to audits delivered in 2022–23 (Table 3.4). The decrease in the average cost was primarily due to the completion of multiple audits on some large topics instead of conducting one larger audit on the topic and conducting six audits in a series. Audits conducted in a series benefit from adopting standard methodologies and test programs, applied across a range of entities, resulting a lower average cost and shorter audit durations. Four audits examined compliance with corporate credit card requirements and two audits examined compliance with gifts, benefits and hospitality requirements. The average cost across these six audits was \$315,541.

**Table 3.4: Cost of performance audit reports, 2017–18 to 2023–24**

	Percentage increase	Cost per performance audit (\$'000)		Actual result (%)
	Target (%)	Average	Range	
2023–24	0	496,450	197,000–869,000	–4.96
2022–23	0	522,342	196,000–949,000	7.50
2021–22	0	486,118	159,000–1,106,000	–6.60
2020–21	0	520,496	234,000–984,000	18.00
2019–20	0	439,000	186,000–904,000	5.00
2018–19	0	419,000	131,000–670,000	–0.70
2017–18	0	422,000	159,000–786,000	–9.80

Note: Cost is calculated on a nominal cost recovery basis using an accrual-based costing model.

<b>Measure 8</b>	<b>Percentage of recommendations included in performance audit reports agreed to by audited entities</b>	
<b>Source</b>	ANAO Corporate Plan 2023–24 Portfolio Budget Statements 2023–24, Program 1.2, p. 97	
<b>Result</b>	Achieved a result of 99.22% against a target of 90%	<b>MET</b>

The ANAO makes recommendations in performance audit reports to support the Parliament in its role in holding entities to account for their use of public money, and to seek to improve public administration. Throughout a performance audit, the ANAO keeps entities informed of findings and discusses potential recommendations to ensure entities understand the basis and intention of recommendations. Table 3.5 provides a breakdown of audited entities' responses to the ANAO's recommendations against the total number of recommendations made. Only recommendations that were agreed without qualification are included as 'agreed' recommendations in the result for this measure, unless the qualification did not contradict the overall recommendation.

In 2023–24, 253 recommendations were counted as 'agreed' (this includes 13 recommendations that were agreed with qualification and assessed to be 'agreed'), and two recommendations were not agreed.

**Table 3.5: Agreement to recommendations in performance audit reports, 2017–18 to 2023–24**

	Recommendations				
	Total number	Fully agreed (%)	Agreed with qualifications (%)	Not agreed (%)	Noted or no response by entities (%)
2023-24	255	94.12	5.10	0.78	0.00
2022–23	194	91.23	2.58	2.58	3.61
2021–22 <sup>a</sup>	161	95.70	2.50	1.90	0.00
2020–21	165	92.10	6.10	1.20	0.60
2019–20	141	90.80	1.40	2.80	5.00
2018–19 <sup>a</sup>	146	89.72	6.84	0.68	2.74
2017–18	126	84.90	9.50	2.40	3.20

Note a: The percentages for 2021–22, 2018–19 do not total 100 per cent due to rounding.

<b>Measure 9</b>	<b>Percentage of ANAO recommendations implemented within 24 months of a performance audit report being presented</b>	
<b>Source</b>	ANAO Corporate Plan 2023–24 Portfolio Budget Statements 2023–24, Program 1.2, p. 97	
<b>Result</b>	Achieved a result of 80.01% against a target of 70%	<b>MET</b>

The ANAO seeks advice annually from all relevant entities on progress in implementing audit recommendations over a two-year implementation period. The ANAO also monitors entities' implementation of performance audit recommendations by attending entity audit committees and conducting audits that follow up on entity progress in implementing previously made recommendations.

The self-reported data for audit recommendations made in 2021–22 suggests that entities are implementing ANAO recommendations largely within 24 months of the recommendation being agreed (Table 3.6). For those recommendations that have not yet been implemented, the majority of entities have advised that work is underway.

This measure is based on entity self-reporting on implementation of recommendations. The ANAO has undertaken a series of performance audits on entities' implementation of parliamentary and ANAO recommendations.<sup>4</sup> These audits have shown that some entities have reported ANAO recommendations as being implemented when the evidence has shown that they have not actually been implemented. These performance audits of the implementation of recommendations do not cover all entities and the results may not be representative of the whole population. The audits undertaken to date in this series have identified that 18 per cent of recommendations that entities had reported as implemented were assessed by the ANAO as not implemented.

**Table 3.6: Percentage of performance audit recommendations implemented within 24 months**

Year in which recommendations made	Recommendations (number)	Recommendations		
		Implemented (%)	Not implemented (%)	No response provided (%)
2021–22 <sup>a</sup>	161	80.01	19.88	0.00
2020–21	165	76.97	20.61	2.42
2019–20 <sup>a</sup>	141	84.00	7.00	8.00
2018–19	146	79.00	19.00	2.00
2017–18	126	81.00	19.00	0.00

Note a: The percentages for 2019–20 and 2021–22 do not total 100 per cent due to rounding.

4 Auditor-General Report No.6 2019–20 Implementation of ANAO and Parliamentary Committee Recommendations; Auditor-General Report No.46 2019–20 Implementation of ANAO and Parliamentary Committee Recommendations — Education and Health Portfolios; Auditor-General Report No.34 2020–21 Implementation of ANAO and Parliamentary Committee Recommendations — Department of Defence; Auditor-General Report No.25 2021–22 Implementation of ANAO and Parliamentary Committee Recommendations — Department of Home Affairs; Auditor-General Report No.22 2022–23 Implementation of Parliamentary Committee and Auditor-General Recommendations — Attorney-General's Portfolio; and Auditor-General Report No.17 2023–24 Implementation of Parliamentary Committee and Auditor-General Recommendations — Department of Finance



## Performance results for Program 1.3: Performance Statements Audit Services

Section 39 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) requires the accountable authority of a Commonwealth entity to prepare annual performance statements that provide information about the entity's performance in achieving its purposes and include a copy of the statements in the entity's annual report. Section 40 of the PGPA Act provides that the responsible Minister for a Commonwealth entity or the Finance Minister may request the Auditor-General to examine and report on the entity's annual performance statements.

On 16 January 2023, the Finance Minister requested that the Auditor-General undertake assurance audits of 10 entities' 2022–23 performance statements under section 40 of the PGPA Act. The Auditor-General conducted the ten audits under section 15 of the *Auditor-General Act 1997*.

Performance statements audit services contribute to the ANAO achieving its purpose. The intent of performance statements audits is to drive improvements in the transparency and quality of entities' performance reporting, and, in turn, increase entities' accountability to the Parliament and public.

To assess performance against our purpose in relation to performance statements audit activities, the ANAO measures the:

- number of performance statements audit reports issued;
- percentage of performance statements audit reports issued in time to meet entity annual reporting timeframes;
- average cost of a performance statements audit;
- percentage of moderate or significant findings, and recommendations, from performance statements audit reports agreed to by audited entities; and
- percentage of agreed moderate or significant findings that are addressed by audited entities within 24 months of reporting.

In 2023–24, the ANAO reports on audits of performance statements from the 2022–23 audit cycle, as audits began in the 2022–23 financial year.

Measure 10	Number of performance statements audits issued	
Source	ANAO Corporate Plan 2023-24 Portfolio Budget Statements October 2023-24, Program 1.3, p. 102	
Result	Achieved a result of ten against a target of ten	<b>MET</b>

In 2023–24 the ANAO completed ten audits of entity 2022–23 performance statements as part of the annual performance statements audit program. The ANAO audited the performance statements of the Attorney-General's Department (AGD), the Department of Social Services (DSS), the Department of Veterans' Affairs (DVA), the Department of Agriculture, Fisheries and Forestry (DAFF), the Department of Education, the Department of the Treasury (the Treasury), the Department of Industry, Science and Resources (DISR), the Department of Health and Aged Care (Health), Services Australia and the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA).

The Minister for Finance tabled all ten audit reports in the Senate in November 2023 and January 2024. These are available at [finance.gov.au/publications/reports](https://finance.gov.au/publications/reports).

Details of the learnings identified during the 2022–23 performance statements audit cycle are included in Auditor-General Report No.16 2023–24 *Audits of the Annual Performance Statements of Australian Government Entities — 2022–23*. The report was tabled in Parliament on 12 February 2024.

Measure 11		Percentage of performance statements audit reports issued in time to meet entity annual reporting timeframes
Source	ANAO Corporate Plan 2023-24 Portfolio Budget Statements October 2023-24, Program 1.3, p. 102	
Result	Achieved a result of 80.00% against a target of 100%	<b>NOT MET</b>

The ANAO aims to issue performance statements audit reports within three months of the end of the financial year. The issue of timely audit reports supports entities to include audited annual performance statements in their annual reports to the Parliament.

Eight audit reports were issued within the three months of the end of the financial year, producing a result of 80.00 per cent. Reports for the remaining two entities (DSS and Health) were issued outside this timeframe.

Achievement of this measure relies on entities providing the ANAO with auditable and signed annual performance statements within the required timeframe. There were delays experienced by the ANAO in receiving auditable statements from Health and signed statements from DSS that contributed to the late issue of the audit reports for those two entities.

Measure 12		Average cost of a performance statements audit does not increase from the prior year
Source	ANAO Corporate Plan 2023-24 Portfolio Budget Statements October 2023-24, Program 1.3, p. 102	
Result	Achieved a result of 17.87% decrease against a target of 0%	<b>MET</b>

The average cost of performance statements audits for the 2022–23 audit cycle is calculated by comparing the average cost of the 2022–23 audits with the average cost of the 2021–22 audits.

The average cost of audits for the 2021–22 audit cycle was \$656,649, for six audits. The average cost of audits for the 2022–23 audit cycle was \$539,253, for ten audits, representing a 17.87 per cent decrease from the previous audit cycle (Table 3.7).

Factors that contributed to the reduction in the average cost of an audit in the 2022–23 audit cycle included:

- Six of the ten audits were repeat audits, with two of them having been conducted for the fourth time in 2022–23. Audit teams are more familiar with the already audited entities and their corporate plans and measures. This results in less time required to understand the entity and plan the audit where there are not material changes to the corporate plan from the prior year, improving efficiency and resulting in less hours spent on the audit.
- More established methodology — while the performance statements audit program is in its infancy and the methodology is still being refined, it is more established than in previous years, allowing staff to implement it more efficiently.

- More experienced staff — the ANAO has been working on a Learning and Development program to upskill staff in performance statements auditing, resulting in a better understanding of the audit process. In addition, many staff had already completed a full audit cycle prior to the 2022–23 audit cycle, resulting in more experience across the audit teams and familiarisation with the process.

**Table 3.7: Average cost of performance statements audits — 2020–21 to 2022-23**

Audit cycle	Percentage increase Target (%)	Average cost per audit cycle (\$)	Actual result
2022–23	0	539,253	17.87 per cent decrease
2021–22	0	656,649	4.77 per cent increase
2020–21		626,730	

Note: Cost is calculated on a nominal cost recovery basis using an accrual-based costing model.

2023–24 is the second year the ANAO implemented this performance measure. As such, targets and results for years prior to 2021–22 are not included.

Measure 13	Percentage of moderate or significant findings, and recommendations, from performance statements audit reports agreed to by audited entities	
Source	ANAO Corporate Plan 2023-24 Portfolio Budget Statements October 2023-24, Program 1.3, p. 102	
Result	Achieved a result of 96.55% against a target of 90%	<b>MET</b>

The ANAO provides entities with audit findings and recommendations based on observations during the conduct of performance statements audits. These findings and recommendations are aimed at assisting entities to improve their performance reporting, internal controls, and business processes. Entities are more likely to fully address findings and implement recommendations that are agreed to without qualification. Significant or moderate findings are Category A or B findings.<sup>5</sup>

Audit findings and recommendations are reported to the accountable authority and copied to the chair of the audit committee via an interim management letter, a closing report or a final management letter. The ANAO seeks to confirm all factual observations concerning the audit findings with entities before finalising these reports. Included in the measure of agreed recommendations are situations where the audited entity agrees with the ANAO's factual observations, but the entity may suggest an alternative method to resolve the issue.

In the 2022–23 performance statements audit cycle, 29 moderate or significant findings were reported across the ten audits. Of the findings, 28 were agreed to (without qualification) by entities and one was not agreed, resulting in 96.55 per cent of findings agreed to.

5 Moderate (Category B) findings are those that pose a moderate risk to the entity's performance statements preparation. These may include prior-year findings that have not been satisfactorily addressed. Significant (Category A) findings are those that post a significant risk to the entity's performance statements preparation. These include findings that could result in material misstatement in the entity's performance statements.

All audit findings and recommendations are followed up as part of the audit of the following year's performance statements.

<b>Measure 14</b>	<b>Percentage of agreed moderate or significant findings that are addressed by audited entities within 24 months of reporting</b>	
<b>Source</b>	ANAO Corporate Plan 2023-24 Portfolio Budget Statements October 2023-24, Program 1.3, p. 102	
<b>Result</b>	Achieved a result of 77.77% against a target of 70%	<b>MET</b>

To measure the impact that the ANAO's audit work has on public administration, the ANAO measures the percentage of agreed moderate or significant findings that are addressed by audited entities. This measure captures findings (moderate or significant) that are addressed by audited entities within 24 months, resulting in improvements to the public sector control environment. 'Addressed' means that the entity has responded to and actioned the audit finding. The ANAO reviews all findings during the interim and/or final phases of the annual performance statements audit process.

Audit findings are reported to entities at the conclusion of each year's performance statements audit. In order to determine whether these findings have been addressed by entities within 24 months of reporting, a full 24-month period is required from the audit cycle when the findings were raised. The audit cycle generally runs from October to September. Therefore, this performance measure for 2023–24 considers whether the audit findings from the 2020–21 audit cycle had been addressed by entities within 24 months of reporting which was up to the conclusion of the 2022–23 audit cycle.

For 2023–24, only AGD, DSS and DVA were included in the result of this measure, as they are the only entities that had undergone an audit in 2020–21.

Nine moderate or significant findings were agreed to by entities at the conclusion of the 2020–21 audit cycle with seven of those findings addressed in the 24-month period across the three audits.

## Shared performance criteria for Programs 1.1, 1.2 and 1.3: The ANAO supports the Australian Government sector to improve public sector performance

A number of performance measures are shared across the ANAO. These areas of activity contribute to achieving the ANAO's purpose through:

- facilitating dissemination of the ANAO's findings to members of parliament, the executive and the public;
- providing organisation-wide enabling services for the ANAO, based on specialised knowledge, professional practice and technology; and
- ensuring ANAO audits are of high quality and compliant with auditing standards.

### Performance measures

To assess performance against our purpose in relation to ANAO-wide activities, the ANAO measures performance in delivering audit services through our key relationship with the Parliament, and our support of the Australian Government to improve public sector performance.

The ANAO also evaluates whether the independent quality assurance program indicates that audit conclusions are appropriately supported by evidence.

<b>Measure 15</b>		<b>The ANAO supports the Parliament to carry out its functions on the operations of the Australian Government sector.</b>
<b>Source</b>	ANAO Corporate Plan 2023–24 Portfolio Budget Statements 2023–24, shared by programs 1.1, 1.2, and 1.3, p. 102	
<b>Result</b>	Achieved a result of 4 reporting mechanisms met against a target of 4	<b>MET</b>
<b>Reporting mechanism 1</b>	<b>Percentage of appearances for private briefings and public hearings undertaken at the request of parliamentary committees</b>	
<b>Result</b>	Achieved a result of 100% against a target of 100%	<b>MET</b>
<b>Reporting mechanism 2</b>	<b>Percentage of private briefings undertaken at the request of parliamentarians</b>	
<b>Result</b>	Achieved a result of 100% against a target of 100%	<b>MET</b>
<b>Reporting mechanism 3</b>	<b>Percentage of inquiries and audit requests from parliamentarians responded to within 28 days</b>	
<b>Result</b>	Achieved a result of 100% against a target of 90%	<b>MET</b>
<b>Reporting mechanism 4</b>	<b>Feedback from the Joint Committee of Public Accounts and Audit (JCPAA) indicates the ANAO has contributed to improved public sector accountability and transparency and public sector administration through its reports and services to the Parliament.</b>	
<b>Result</b>	Achieved a result of six Agreed ratings against a target of six agreed ratings	<b>MET</b>

The ANAO has identified four reporting mechanisms (with defined targets) to assess the level of support provided to the Parliament. The ANAO considers that the mechanisms identified are a reasonably complete and appropriate set of mechanisms to assess the overall measure.

For 2023–24, four of the four reporting mechanisms for Measure 15 have been met. Therefore, Measure 15 has been met overall.

#### **Reporting mechanism 1 — Appearances for private briefings and public hearings undertaken at the request of parliamentary committees**

In 2023–24, the ANAO attended nine private briefings, 24 public hearings and one classified hearing. All appearances followed requests from parliamentary committees. The total number of appearances remains consistent with prior reporting cycles with the total of 34 appearances in 2023–24 being equal the total appearances in 2022–23.

The ANAO's key stakeholder is the JCPAA. The JCPAA commenced four inquiries into ANAO reports in 2023–24 and the ANAO attended 19 public hearings and eight private briefings with the JCPAA.

All private briefings provided by the ANAO to parliamentary committees are published on the ANAO website as they occur. [Annexure A](#) outlines all public hearings and private briefings requested by parliamentary committees attended by the ANAO.

### **Reporting mechanism 2 — Private briefings undertaken at the request of parliamentarians**

In 2023–24, the ANAO provided 27 of 27 private briefings requested by parliamentarians. The total number of briefings provided in 2023–24 is lower than the 43 briefings provided in 2022–23. The highest number of briefings in 2022–23 is attributed to the commencement of the 47th Parliament on 26 July 2022.

Of the 27 briefings, 23 were in relation to specific audit reports, one was in relation to departmental portfolio matters, one was in relation to the general function of the ANAO, and two were in relation to the ANAO's support of the JCPAA.

Summary level information of private briefings provided by the ANAO to parliamentarians and parliamentary committees are published on the ANAO website as they occur. [Annexure A](#) outlines all private briefings requested by parliamentarians attended by the ANAO.

### **Reporting mechanism 3 — Response to audit request from parliamentarians**

In determining the ANAO's audit work program, the Auditor-General must have regard to the audit priorities of the Parliament, as determined by the JCPAA. Formal consultation with the JCPAA about the audit priorities of the Parliament occurs between February and May each year to inform the development of the ANAO's annual audit work program. The ANAO provided the draft work program for 2024–25 to the JCPAA in February 2024. The final work program was published on 8 July 2024.

Throughout the year, the Auditor-General also receives direct requests from members of parliament for audits of particular areas of public administration. Where the Auditor-General determines that further examination is warranted as a result of an audit request, a response can be provided through a range of mechanisms, including by initiating a performance audit, assurance review or information report, and through correspondence or inclusion in future work programs.

In 2023–24, the Auditor-General received eight requests for audit<sup>6</sup> from members of parliament. A response to 100 per cent of requests was provided within 28 days. This is equal to the total number of requests for audit received in 2022–23.

[Annexure A](#) outlines the ANAO's responses to these requests.

### **Reporting mechanism 4 — Feedback from the Joint Committee of Public Accounts and Audit**

The process for gathering feedback from the JCPAA has changed for 2023–24. This follows a decision to discontinue the previously used survey method due to low participation rates.

The new process involves a letter from the Auditor-General to the JCPAA outlining the services provided by ANAO to the JCPAA and the Parliament in the financial year. The letter requests the JCPAA provide feedback on a several statements about the ANAO's performance.

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6 An ANAO response to an audit request or inquiry is finalised when it has been prepared and sent to a parliamentarian. In cases where an audit or limited assurance review is commenced, the notification by letter that the ANAO has taken this step will be sufficient to consider the request 'finalised'. Equally, where a response is provided that the topic will be considered in the development of the next annual audit work program, this will be considered a 'finalised' response. Follow-ups to the initial audit request would not be counted as an additional inquiry. This measure does not refer to a holding letter that is sent to parliamentarians to indicate that we have received the request.

For 2023–24, the JCPAA agreed with all statements presented, stating: ‘*The Committee agrees that all of the requirements indicated by these statements have been met and thanks the ANAO for its excellent performance once again in 2023–24.*’

<b>Measure 16</b>		<b>The ANAO supports the Australian Government sector to improve public sector performance</b>	
Source	ANAO Corporate Plan 2023–24 Portfolio Budget Statements 2022–23, shared by programs 1.1, 1.2, and 1.3, p. 102		
Result	Achieved a result of meeting 4 reporting mechanisms against a target of 5		<b>NOT MET</b>
<b>Reporting mechanism 1</b>	<b>Number of reports summarising the results of ANAO financial and performance statements audit work presented to the Parliament</b>		
Result	Achieved a result of 3 against a target of 3		<b>MET</b>
<b>Reporting mechanism 2</b>	<b>Completion of all assurance audit reports by arrangement that are accepted by the Auditor-General</b>		
Result	Achieved a result of 98% against a target of 100%		<b>NOT MET</b>
<b>Reporting mechanism 3</b>	<b>Number of published audit insights from across ANAO activities</b>		
Result	Achieved a result of 4 against a target of 4		<b>MET</b>
<b>Reporting mechanism 4</b>	<b>Percentage of performance audits that include observed improvements in entities' processes during the audit</b>		
Result	Achieved a result of 89% against a target of 70%		<b>MET</b>
<b>Reporting mechanism 5</b>	<b>Percentage of positive feedback from entity surveys on the impact of audits</b>		
Result	Achieved a result of 91% against a target of 70%		<b>MET</b>

The ANAO supports the work of the Australian Government by producing reports and products that provide insight into public sector performance (based on the findings within our audit programs) and understand areas for improvement in performance.

For 2023–24, four of the five reporting mechanisms for measure 16 have been met and one reporting mechanism has not been met. Therefore, measure 16 has not been met.

#### **Reporting mechanism 1 — ANAO financial and performance statements audit work presented to the Parliament**

In 2023–24, the ANAO tabled three reports in the Parliament on its financial and performance statements audit work. In relation to its financial statements audit work, the *Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2023* was tabled on 14 December 2023 and the *Interim Report on Key Financial Controls of Major Entities* was tabled on 20 June 2024. In relation to its performance statements audit work, the *Audits of the Annual Performance Statements of Australian Government Entities – 2022–23* was tabled on 12 February 2024.



All reports presented to the Parliament are published on the ANAO website.

### **Reporting mechanism 2 — Assurance audits by arrangement**

In 2023–24, the ANAO agreed to undertake 51 audits or reviews conducted under section 20 of the *Auditor-General Act 1997* and completed 50 of those audits or reviews. They include financial statements audits and audits or reviews of compliance with legislative requirements. The ANAO did not complete the audit of Norfolk Island Health and Residential Aged Care Services.<sup>7</sup>

### **Reporting mechanism 3 — Audit Insights**

The ANAO's *Insights* (formerly Audit Insights) products include Audit Lessons, Audit Practice and Audit Opinion. Audit lessons provide information on shared learnings for all Commonwealth entities as identified through financial statements audits, performance audits and performance statements audits. All ANAO performance audit reports contain key messages for all Australian Government entities. In 2023–24, the ANAO met its target of publishing four Audit Lessons, publishing the following reports in the period:

- Probity Management: Lessons from Audits of Financial Regulators;
- Risk Management;
- Management of ICT System Access: Separating Personnel; and
- Grants Administration

### **Reporting mechanism 4 — Observed improvements in entities processes during an audit**

Improvements in administrative and management practices usually occur in anticipation of ANAO audit activity; during an audit engagement; as interim findings are made; and/or after the audit has been completed and formal findings are communicated.

Of the 45 performance audit reports tabled in 2023–24, 40 (89 per cent) included observed improvements made by entities during the audit process. This is 19 per cent above the target measure of 70 per cent and is slightly above the 2022–23 result of 87.5 per cent.

Improvements occurred in the key areas of governance, risk management, administrative processes, and performance reporting and monitoring. Improvements observed by the ANAO are outlined in appendix 2 of ANAO's performance audit reports.

### **Reporting mechanism 5 — Entity feedback on the impact of audits**

In 2023–24, the ANAO engaged a research firm, ORIMA Research, to conduct two independent surveys on the ANAO's financial statements audits (FS audits) and performance audits to obtain audit entity feedback on the impact of audits. The surveys rate entity perceptions of audit value on selected

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7 The Norfolk Island Health and Residential Aged Care Service (NIHRACS) is deemed to be a Commonwealth controlled entity. NIHRACS is a body corporate with perpetual succession under the *Norfolk Island Health and Residential Aged Care Act 1985*, a Norfolk Island continued law under section 16A of the *Norfolk Island Act 1979 (Cth)*. The *Public Governance, Performance and Accountability Act 2013* does not apply to NIHRACS and as a result the Auditor-General is not appointed as the auditor under the NIHRACS enabling legislation. The ANAO undertakes the audit as an audit arising from a request by the Secretary of Department of Infrastructure, Transport, Regional Development, Communications and the Arts, made under section 20 of the *Auditor-General Act 1997*. The NIHRACS financial statements audit has not been completed for 2022–23 due to governance and IT issues identified through the audit process.



questions relating to the value of ANAO services on improving entity performance and provide a score in index points.

The FS audits survey covered the 2022–23 financial year reporting and audit cycle and results were based on the percentage of respondents agreeing or strongly agreeing to the following three statements:

- We value the assurance we obtain from the audit of statutory financial statements.
- The policy and technical advice provided by the ANAO is valued by our organisation.
- We value the ANAO’s recommendations to improve the financial management and internal controls of our organisation.

Overall, the FS audits survey had a response rate of 65 per cent which is consistent with the response rate of 65 per cent in 2022. The FS audits survey achieved a result of 93 per cent agreeing they value the work of the ANAO. This represented a decrease from 94 per cent from the prior year.

The performance audits survey covered performance audits tabled in Q4 2022–23 and Q1–Q3 2023–24 and results were based on the percentage of respondents agreeing or strongly agreeing to the following four statements:

- The audit made a valuable contribution by providing our organisation with a sense of assurance regarding the administration of the audited activity.
- The audit will help us improve the performance of the audited activity.
- The entity benefits from good practice lessons, and related issues, raised in other ANAO performance audit reports.
- I value the independent opinion expressed by the ANAO.

Overall, the performance audits survey had a response rate of 59 per cent which is 9 per cent lower than the response rate from the prior year. The performance audits survey achieved a result of 89 per cent, representing an increase from 81 per cent in the prior year.<sup>8</sup>

The performance audits survey also asked entities to rate the overall value of ANAO’s performance audit services. Overall, 82 per cent of survey respondents agreed that they value performance audit services, compared to 75 per cent in the prior year.

<b>Measure 17</b>		<b>The ANAO’s independent Quality Assurance Program indicates that audit opinions and conclusions are appropriate</b>	
<b>Source</b>	ANAO Corporate Plan 2023–24 Portfolio Budget Statements 2023–24, shared by programs 1.1, 1.2 and 1.3, p. 102		
<b>Result</b>	Achieved		<b>MET</b>

Quality in the delivery of the ANAO’s audit services is critical in supporting the integrity of audit reports and maintaining the confidence of the Parliament and public sector entities. This is reflected in the target set in the performance indicator for Measure 17.

8 For the 2023–24 reporting year, 36 entities responded to the survey out of 61 entities that were invited to respond. In 2022–23, 32 entities responded out of the 47 that were invited.

A key element of the ANAO's quality management framework is monitoring of compliance with the policies and procedures that comprise the system of quality management. This aims to provide the Auditor-General with reasonable assurance that audits performed by the ANAO comply with applicable professional standards and relevant regulatory and legal requirements, and that the reports issued are appropriate in the circumstances. The ANAO's independent Quality Assurance Program comprises internal and external quality assurance reviews of the ANAO's audit and other assurance engagements. Monitoring activities are the responsibility of the Professional Services Group, which reports to the Executive Board of Management.

In 2023–24 the annual quality assurance program included:

- annual quality assurance reviews of completed audits covering all of the ANAO's functions (nine financial statements audits, four performance audits and one performance statements audit).
- real-time quality reviews of three in-progress financial statements audits and one performance statements audit;
- biennial external peer reviews performed by the New Zealand Office of the Auditor-General of two performance audits completed by the ANAO;
- external review conducted by the Australian Securities and Investments Commission (ASIC) of two financial statement audits completed by the ANAO; and
- an annual internal audit of compliance with selected requirements of the ANAO Audit Manual.

In 2023–24, a significant finding was identified in the one of the completed financial statements audit files reviewed. The audit file did not contain sufficient appropriate audit evidence to support the conclusion issued. The significant finding related to the sufficiency of audit work performed over the annual and long service provisions and the cash flow statement. In the ASIC review of one completed financial statement audit a 'negative finding – risk of material misstatement' was identified. The negative finding related to the extent of audit work performed over intangible assets under construction. The ANAO assessed this finding to be significant as the audit file did not contain sufficient appropriate audit evidence to support the conclusion issued.

Remediation procedures were completed in the two financial statements audits to determine that the audit conclusions were appropriate despite the significant findings identified. The remediation procedures included reperforming audit testing over expanded samples. Following review of the remediated audit procedures and the results of the work performed, the ANAO is satisfied that all audit conclusions subject to monitoring were appropriate in the circumstances.

Identified deficiencies and good practice recommendations identified in all internal and external reviews are addressed by ANAO follow-up actions. The ANAO Quality Committee is responsible for monitoring the ANAO's progress in addressing the findings and recommendations arising from the monitoring programs. Reports on quality risks resulting from the quality assurance reviews are provided to the ANAO's Audit Committee for consideration of proposed mitigations and actions.

Further results on the ANAO's quality assurance program and monitoring activities are reported in the ANAO Quality Report 2023–24, including the results of root cause analysis and the identified areas for improvement.

## Annexure A

**Table 3A.1: ANAO appearances for private briefings and public hearings at the request of parliamentary committees in 2023–24 (Measure 15 – Mechanism 1)**

Date	Committee	Topic	Type
28 July 2023	Joint Committee of Public Accounts and Audit	Inquiry into the Annual Performance Statements 2021–22	Hearing
28 July 2023	Joint Committee of Public Accounts and Audit	Inquiry into the Annual Performance Statements 2021–22	Hearing
28 July 2023	Joint Committee of Public Accounts and Audit	Inquiry into the Annual Performance Statements 2021–22	Hearing
10 August 2023	Joint Committee of Public Accounts and Audit	Inquiry into probity and ethics in the Australian Public Sector	Private Briefing
8 September 2023	Joint Committee of Public Accounts and Audit	Inquiry into probity and ethics in the Australian Public Sector	Hearing
8 September 2023	Joint Committee of Public Accounts and Audit	Inquiry into probity and ethics in the Australian Public Sector	Hearing
8 September 2023	Joint Committee of Public Accounts and Audit	Inquiry into probity and ethics in the Australian Public Sector	Hearing
14 September 2023	Joint Standing Committee on Implementation of the National Redress Scheme	Potential AAWP Audit Topic: Efficiency and effectiveness of the Department of Social Services' management of the National Redress Scheme	Private Briefing
14 September 2023	Joint Committee of Public Accounts and Audit	MPR 2023–24 Proposed Guidelines and Project Selection	Private Briefing
19 October 2023	Joint Committee of Public Accounts and Audit	Inquiry into Policy and Program Design and Implementation	Private Briefing
24 October 2023	Senate Finance and Public Administration Committee	Supplementary Budget Estimates	Hearing
20 November 2023	Joint Committee of Public Accounts and Audit	Inquiry into probity and ethics in the Australian Public Sector	Hearing
20 November 2023	Joint Committee of Public Accounts and Audit	Inquiry into the Defence Major Projects Report 2020–21 and 2021–22 and Procurement of Hunter Class Frigates	Hearing
20 November 2023	Joint Committee of Public Accounts and Audit	Inquiry into the Defence Major Projects Report 2020–21 and 2021–22 and Procurement of Hunter Class Frigates	Hearing
1 February 2024	Joint Committee of Public Accounts and Audit	Inquiry into Policy and Program Design and Implementation	Hearing

Date	Committee	Topic	Type
1 February 2024	Joint Committee of Public Accounts and Audit	Inquiry into Policy and Program Design and Implementation	Hearing
2 February 2024	Joint Committee of Public Accounts and Audit	Inquiry into Policy and Program Design and Implementation	Hearing
2 February 2024	Joint Committee of Public Accounts and Audit	Inquiry into Policy and Program Design and Implementation	Hearing
2 February 2024	Joint Committee of Public Accounts and Audit	Inquiry into Policy and Program Design and Implementation	Hearing
8 February 2024	Joint Committee of Public Accounts and Audit	Auditor-General Report No.34 2022–23 <i>Procurement of Permissions Capability</i>	Private Briefing
13 February 2024	Senate Finance and Public Administration Committee	Additional Budget Estimates	Hearing
29 February 2024	Joint Committee of Public Accounts and Audit	ANAO Budget Submission 2024–25	Private Briefing
1 March 2024	Joint Standing Committee on Foreign Affairs, Defence and Trade (Defence Subcommittee)	Inquiry into the Department of Defence Annual Report 2022–23	Hearing
15 April 2024	Joint Committee of Public Accounts and Audit	Auditor-General Report No.14 2023–24 <i>Major Projects Report</i>	Private Briefing
15 April 2024	Joint Committee of Public Accounts and Audit	Auditor-General Report No.9 2023–24 <i>Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2023</i>	Private Briefing
15 April 2024	Joint Committee of Public Accounts and Audit	Public sector IT procurements and projects, namely: Auditor-General Report No.7 2023–24 <i>Establishment of the Workforce Australia Services Panel</i> , on the digital employment services system Auditor-General Report No.20 2023–24 <i>Design and Implementation of the Australian Apprenticeships Incentive System</i> and Auditor-General Report No.12 2023–24 <i>Administration of the Parliamentary Expenses Management System</i>	Private Briefing
19 April 2024	Joint Committee of Public Accounts and Audit	Inquiry into Commonwealth Financial Statements 2022–23	Hearing

Date	Committee	Topic	Type
19 April 2024	Joint Committee of Public Accounts and Audit	Inquiry into the failed visa privatisation process and the implementation of other public sector IT procurements and projects	Hearing
24 April 2024	Joint Committee of Public Accounts and Audit	Inquiry into the 2022–23 Major Projects Report	Hearing
24 April 2024	Joint Committee of Public Accounts and Audit	Inquiry into Commonwealth Financial Statements 2022–23	Hearing
24 April 2024	Joint Committee of Public Accounts and Audit	Inquiry into the failed visa privatisation process and the implementation of other public sector IT procurements and projects	Hearing
8 May 2024	Select Committee on the Perth Mint and Commonwealth regulatory compliance	Select Committee on the Perth Mint and Commonwealth regulatory compliance	Hearing
15 May 2024	Parliamentary Joint Committee on Intelligence and Security	Review of Administration and Expenditure 2022–2023	Classified Hearing
29 May 2024	Senate Finance and Public Administration Committee	Senate Budget Estimates 2024–25	Hearing

**Table 3A.2: Number of private briefings undertaken at the request of parliamentarians in 2023–24 (Measure 15 – Mechanism 2)**

Date	Parliamentarian	Topic
6 July 2023	Ms Dai Le MP	Auditor-General Report No.31 2022–23 <i>Administration of the Community Health and Hospitals Program</i>
25 July 2023	Senator the Hon Katy Gallagher	Briefing update on Finance Portfolio Matters
14 August 2023	Ms Rebekha Sharkie MP	Auditor-General Report No.42 2022–23 <i>Access and Participation Programs for Regional and Remote Students</i>
16 August 2023	Ms Dai Le MP	Auditor-General Report No.23 2022–23 <i>Administration of the Disaster Recovery Funding Arrangements</i>
6 September 2023	Senator Pauline Hanson	Auditor-General Report No.3 2023–24 <i>Management of Non-Compliance with the Therapeutics Goods Act 1989 for Unapproved Therapeutic Goods</i>
9 November 2023	Senator Janet Rice	Auditor-General Report No.4 2023–24 <i>Accuracy and Timeliness of Welfare Payments</i>
29 November 2023	Mr Julian Hill MP	Annual meeting with the Chair of the JCPAA
7 December 2023	Senator the Hon Linda Reynolds	Annual meeting with the Deputy Chair of the JCPAA

Date	Parliamentarian	Topic
31 January 2024	Mr Julian Hill MP	Auditor-General Report No.6 2022–23 <i>Implementation of the Export Control Legislative Framework</i>
		Auditor-General Report No.17 2022–23 <i>Department of Agriculture, Fisheries and Forestry's cultural reforms</i>
31 January 2024	Mr Julian Hill MP	Auditor-General Report No.16 2022–23 <i>Management of Migration to Australia - Family Migration Program</i>
31 January 2024	Mr Julian Hill MP	Auditor-General Report No.10 2022–23 <i>Expansion of Telehealth Services</i>
31 January 2024	Mr Julian Hill MP	Auditor-General Report No.42 2022–23 <i>Access and Participation Programs for Regional and Remote Students</i>
31 January 2024	Mr Julian Hill MP	Auditor-General Report No.39 2022–23 <i>Implementation of the Government Response to the Black Economy Taskforce Report</i>
14 February 2024	Mr Ted O'Brien MP	Auditor-General Report No.10 2023–24 <i>Governance of Climate Change Commitments</i>
19 February 2024	Dr Monique Ryan MP	Auditor-General Report No.10 2023–24 <i>Governance of Climate Change Commitments</i>
26 February 2024	Office of Senator Lidia Thorpe	Auditor-General Report No.10 2023–24 <i>Governance of Climate Change Commitments</i>
26 February 2024	Office of Senator Hollie Hughes	Auditor-General Report No.10 2023–24 <i>Governance of Climate Change Commitments</i>
7 March 2024	Senator Dean Smith	Best practice for government entity audit committees and internal audit functions
15 April 2024	Hon Matt Keogh MP	Auditor-General Report No.21 2023–24 <i>Management of the Australian War Memorial's Development Project</i>
8 May 2024	Ms Dai Le MP	Auditor-General Report No.20 2023–24 <i>Design and Implementation of the Australian Apprenticeships Incentive System</i>
31 May 2024	Senator the Hon Malarndirri McCarthy	Auditor-General Report No.29 of 2023–24 <i>Remote Employment Program</i>
4 June 2024	Hon Catherine King MP	Auditor-General Report No.31 2023–24 <i>Design of the Growing Regions Program</i>
4 June 2024	Hon David Coleman MP	Auditor-General Report No.28 2023–24 <i>Award Funding under the Mobile Black Spot Program</i>
4 June 2024	Hon Catherine King MP	Auditor-General Report No.31 2023–24 <i>Design of the Growing Regions Program</i>
13 June 2024	Senator the Hon Jonathon Duniam	Auditor-General Report No.30 2023–24 <i>Corporate Planning in the Department of Climate Change, Energy, the Environment and Water</i>
26 June 2024	Senator the Hon Jane Hume	Auditor-General Report No.43 2023–24 <i>Australian Public Service Commission's Administration of Integrity Functions</i>

**Table 3A.3: Parliamentary requests for audit, 2023–24 (Measure 15 – Mechanism 3)**

Date of request	Date of response	Requested by	Audit request relating to	Response provided to request
16 June 2023	13 July 2023	Senator Jacquie Lambie	Request for audit of Office of the Inspector-General of the Australian Defence Force	Will consider including the topic in future Annual Audit Work Programs
26 June 2023	18 July 2023	Senator the Hon Katy Gallagher	Request for audit of Annual Performance Statements Audit Program 2023–24	The ANAO supports the Finance Minister's proposal to expand the performance statements audit program
5 September 2023	28 September 2023	Senator the Hon Michaelia Cash	Consideration of performance into the National Legal Assistance Program (NLAP)	Audit topic will not be included in the Annual Audit Work Program 2023–24
14 December 2023	20 December 2023	Ms Zali Steggall	Allocation of funds available under the <i>Proceeds of Crime Act 2002</i> administered by the Attorney-General's Department	Will consider including the topic in the Annual Audit Work Programs 2024–25
22 December 2023	16 January 2024	Senator the Hon Bridget McKenzie	Australian Government's \$2.2 billion commitment to the Melbourne Suburban Rail Loop Project	Topic included in the Annual Audit Work Programs 2023–24
9 February 2024	29 February 2024	Hon Catherine King MP	Assurance review of AMSA's Aids to Navigation (AtoN) procurement	Advising audit has commenced February 2024 <sup>a</sup>
27 March 2024	24 April 2024	Senator Janet Rice and Senator Penny Allman-Payne	Contract between Miles Morgan Australia and the Department of Health and Aged Care to deliver the Future Fit program	Will consider including the topic in the Annual Audit Work Program 2024–25 <sup>b</sup>
5 June 2024	27 June 2024	Senator Andrew Bragg	Request for audit around the contract for legal services between King & Wood Mallesons and the DISR relating to PSI Quantum	Will be considered as part of 2023–24 financial statements audit of Department of Industry, Science and Resources

Note a: The audit into 2022–23 Aids to Navigation Maintenance Procurement was tabled 3 June 2024.

Note b: The audit into the Administration of the Future Fit Program commenced June 2024 and is due to table February 2025.

Note: Parliamentarians are advised on the outcome of the request when the annual audit work program is released.



## Report on financial performance

The work of the ANAO is mainly funded by government appropriation, with a small amount of revenue generated from audit fees paid by clients for audits by arrangement under section 20 of the *Auditor-General Act 1997*. Audit fees are set to recover the expenses incurred as part of paid audits.

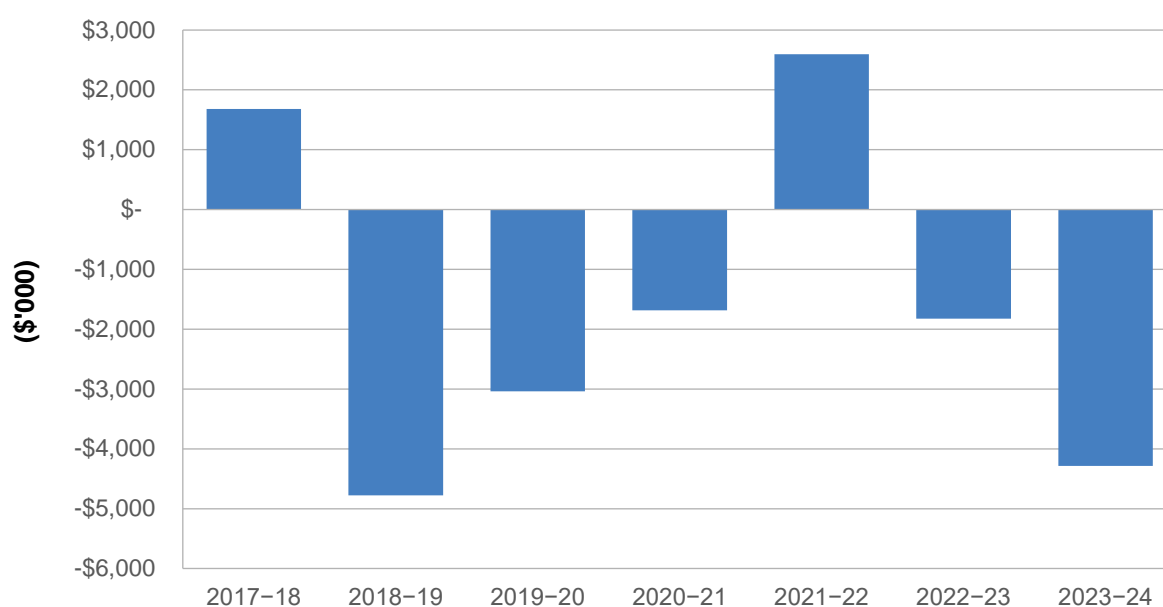
### Overview of financial performance and future financial viability

The ANAO reported a total comprehensive loss of \$6.039 million (\$4.533 million after changes in asset revaluation reserve) in 2023–24. Excluding the impact of depreciation and adjusting for leasing arrangements, the ANAO’s result for the 2023–24 financial year was an operating deficit of \$4.283 million (Figure 3.1).

As part of the Federal Budget 2023–24, additional funding of \$14.4 million over four years was provided to the ANAO to support its delivery of the audit program, compliance with updated auditing standards, and to ensure that the ANAO can safeguard data.

The ANAO sought approval from the Minister for Finance for an operating loss for the 2023–24 financial year to meet employee and supplier pressures. Prior-year appropriation reserves were used to fund the approved operating loss. Employee benefit overspends were due to an increase in the average staffing level (ASL) in the second half of the year to ensure the audit work program was delivered. Supplier overspends were related to staff related expenses and IT expenses, including recruitment, internet and data and software licenses in line with the with ANAO’s increase in ASL. The ANAO also used specialised audit contractors to supplement audit teams. In 2023–24, the ANAO continued to utilise prior-year appropriations to fund strategic projects to build IT and people capabilities. Increasing the ANAO’s in-house skills and capability remains a priority.

**Figure 3.1: Operating result, excluding depreciation and amortisation, 2017–18 to 2023–24**





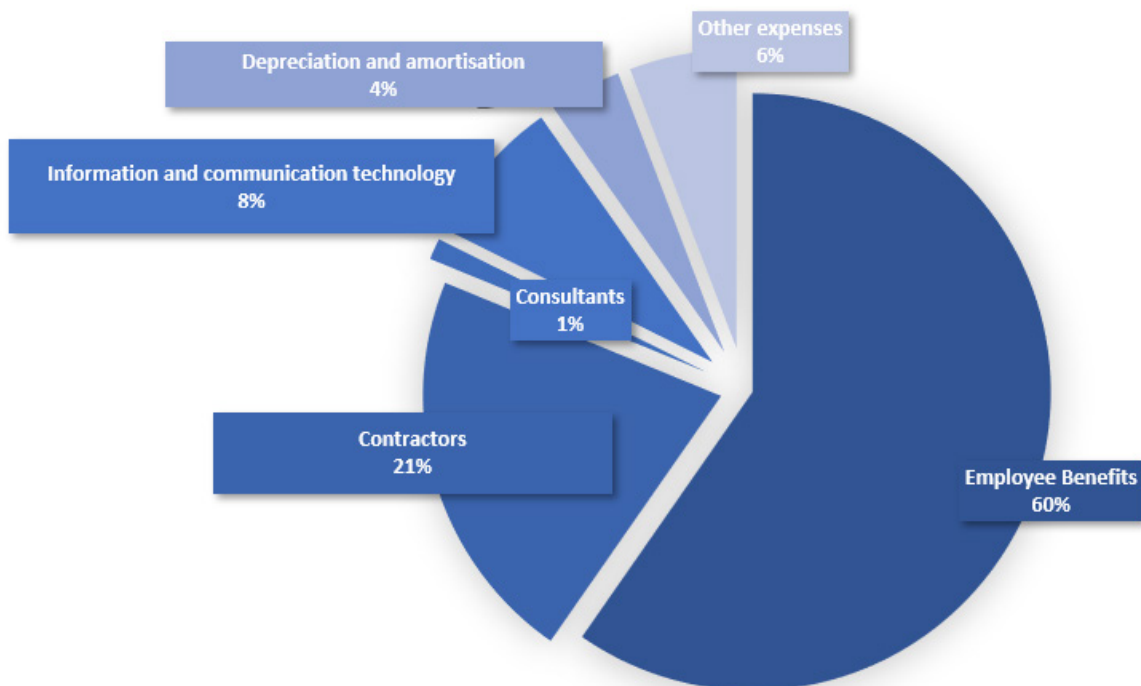
## Expense impacts

In 2023–24, the ANAO spent 60 per cent of its budget on employee-related expenses and 22 per cent on contractors and consultants. The ANAO uses private sector firms, under the supervision of senior staff at the ANAO, to undertake audits of entities within and outside of Canberra. ANAO staff travel to interstate locations to maintain appropriate oversight and quality assurance processes over these audits, including attendance at entity audit committees.

Where required, the ANAO also engages contractors and consultants, such as valuers and actuaries, to provide expertise required to complete the audit program. In 2023–24, contractors and consultants for non-audit services were also engaged to provide the ANAO with the right technical expertise to deliver its IT and human resource projects. The ANAO also outsources information technology to a managed service provider. Total IT costs, including the managed service provider contract, made up 8 per cent of the ANAO's expenses in 2023–24.

The ANAO's total expenses for 2023–24 were \$104.074 million, compared to \$95.031 million in 2022–23, an increase of \$9.043 million (Figure 3.2).

**Figure 3.2 Total expenses by category, 2023–24**



## Financial position

The ANAO's overall financial position continued to remain sound in 2023–24 (Table 3.8):

- total assets reduced as at 30 June 2024 to \$64.557 million; and
- total liabilities reduced to \$53.691 million.

The majority of the ANAO's assets are financial assets, with the largest balance being appropriation receivable (\$23.911 million). The ANAO's appropriation receivable has decreased by \$4.779 million from 2022–23, reflecting the operating loss and expenditure on strategic projects.

The majority of the ANAO's liabilities are comprised of leases (\$31.949 million) and employee provisions (\$16.184 million).

The ANAO continues to operate with sufficient cash reserves to fund its liabilities and commitments as and when they fall due.

**Table 3.8: Summary of financial performance, 2022–23 and 2023–24**

	2023–24 (\$'000)	2022–23 (\$'000)	Variance (\$'000)
<b>Statement of comprehensive income</b>			
Total own-source revenue	5,811	6,549	-738
Total revenue from government	92,224	84,181	8,043
Total expenses	104,074	95,031	9,043
Net surplus/(deficit)	-6,039	-4,301	-1,738
<b>Statement of financial position</b>			
Total assets	64,557	69,350	-4,793
Total liabilities	53,961	54,945	-984
Net assets	10,866	14,405	-3,539
Equity	10,866	14,405	-3,539

Note: The ANAO's operating result was a deficit of \$4.283 million in 2023–24, excluding depreciation and amortisation and adjustments for leases.

## Revenue impacts

Government revenue from departmental and special appropriations was \$92.224 million in 2023–24, an increase of \$8.043 million from 2022–23.

Own-source revenue in 2023–24 was \$5.811 million, a decrease of \$0.738 million compared to 2022–23. The decrease was in rendering of other services and international development funding.

## Entity resource statement

The entity resource statement provides additional information about the various funding sources that the ANAO may draw on during the year. Appendix B details the resources available to the ANAO during 2023–24 and sets out the ANAO's summary of total expenses for Outcome 1.

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# INDEPENDENT AUDITOR'S REPORT TO THE PRESIDENT OF THE SENATE AND SPEAKER OF THE HOUSE OF REPRESENTATIVES

## Report on the Audit of the 30 June 2024 Financial Statements of the Australian National Audit Office

### Opinion

I have audited the financial statements of the Australian National Audit Office (the ANAO), which comprises the:

- Statement of comprehensive income for the year ended 30 June 2024
- Statement of financial position as at 30 June 2024
- Statement of changes in equity for the year ended 30 June 2024
- Cash flow statement for the year ended 30 June 2024
- Administered schedule of comprehensive income for the year ended 30 June 2024
- Administered schedule of assets and liabilities as at 30 June 2024
- Administered reconciliation schedule for the year ended 30 June 2024
- Administered cash flow statement for the year ended 30 June 2024
- Notes to the financial statements, and
- Statement by the Auditor-General (Acting) and Chief Finance Officer.

In my opinion, the accompanying financial statements of the Australian National Audit Office are in accordance with the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*, including:

- i) giving a true and fair view of the ANAO's financial position as at 30 June 2024 and of its performance for the year then ended, and
- ii) complying with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, including Australian Accounting Interpretations.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the ANAO in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Other Matter

The financial statements of the ANAO for the year ended 30 June 2023 were audited by another independent auditor who expressed an unmodified opinion on those financial statements on 10 August 2023.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Auditor-General (Acting) is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024 but does not include the financial statements and my Auditor's Report thereon. My opinion on the financial statements does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

*Liability limited by a scheme approved under Professional Standards Legislation*



### Responsibilities of the Auditor-General (Acting) for the Financial Statements

The Auditor-General (Acting) is responsible for:

- the preparation of the financial statements that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability Act 2013*
- implementing necessary internal controls to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, and
- assessing the ANAO's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This also includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an assessment indicates that it is not appropriate.

### Independent Auditor's Responsibility for the Audit of the Financial Statements

My objectives is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

As part of an audit in accordance with the Australian Auditing Standards, I exercised professional judgement and maintained professional scepticism throughout the audit. I also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ANAO's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the ANAO.
- Concluded on the appropriateness of the ANAO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ANAO's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my Auditor's Report. However, future events or conditions may cause the ANAO to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represented the underlying transactions and events in a manner that achieved fair presentation.

I communicate with the Auditor General (Acting) regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Shane Bellchambers, FCA  
Independent Auditor  
Canberra, ACT

Dated this 9<sup>th</sup> day of August 2024

**Australian National Audit Office**  
**STATEMENT BY THE AUDITOR-GENERAL (Acting) AND THE CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2024 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian National Audit Office will be able to pay its debts as and when they fall due

Signed  Signed 

Rona Mellor PSM  
Auditor-General (Acting)  
9 August 2024

Alison Garth  
Chief Finance Officer  
9 August 2024

**Australian National Audit Office**  
**Statement of Comprehensive Income**  
*for the period ended 30 June 2024*

		2024	2023	2024 Original Budget
	Notes	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>				
<b>EXPENSES</b>				
Employee benefits	1.1A	62,122	53,617	61,687
Suppliers	3.1A	37,315	36,715	31,839
Depreciation and amortisation	4.2A	4,080	4,081	3,898
Finance costs	3.1B	496	497	466
Write-down and impairment of other assets	4.2A	61	121	-
<b>Total expenses</b>		<b>104,074</b>	<b>95,031</b>	<b>97,890</b>
<b>OWN-SOURCE INCOME</b>				
<b>Own-source revenue</b>				
Revenue from contracts with customers		2,902	2,875	2,800
Rendering of other services		536	1,259	-
International development funding		2,373	2,415	1,300
<b>Total own-source revenue</b>	3.2	<b>5,811</b>	<b>6,549</b>	<b>4,100</b>
<b>Net cost of services</b>		<b>98,263</b>	<b>88,482</b>	<b>93,790</b>
<b>REVENUE FROM GOVERNMENT</b>				
Departmental annual appropriations	2.1A	91,456	83,414	91,456
Departmental special appropriations	2.1C	768	767	778
<b>Total revenue from Government</b>	3.3A	<b>92,224</b>	<b>84,181</b>	<b>92,234</b>
<b>Deficit on continuing operations</b>		<b>(6,039)</b>	<b>(4,301)</b>	<b>(1,556)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Changes in asset revaluation reserve		1,506	-	-
<b>Total other comprehensive income</b>		<b>1,506</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss</b>		<b>(4,533)</b>	<b>(4,301)</b>	<b>(1,556)</b>

The above statement should be read in conjunction with the accompanying notes.

**Budget Variances Commentary - Statement of Comprehensive Income**

**Employee benefits** are \$0.435m (1%) higher than budget as the ANAO continues to build in-house capability. Delivering 45 performance audits in 2023-24 required increasing the ASL in the second half of the year to ensure the audit work program was delivered. Increasing the ANAO's in-house skills and capability remains a priority to the agency.

**Supplier expenses** are \$5.476m (17%) higher than budget due to contractors and consultants used to deliver projects across the ANAO including future state IT, employee value proposition, and the procurement of a managed service provider. The ANAO committed to using prior year appropriations to fund these projects. The ANAO also had an increase of staff related expenses and IT expenses, including recruitment, internet and data and software licenses in line with the ANAO's increase in ASL.

**Finance costs** are \$0.030m (6%) higher than budget due to the changes to the lease schedule related to the signing of a new contract for the carpark.

**Write down and impairment of assets** are \$0.061m (100%) higher than budget due to the write-down and impairment of IT equipment and obsolete software written off in the ANAO stocktake and not included in the original budget.

**Rendering of other services** are \$0.536m (100%) higher than budget due to secondment fee revenue. The ANAO does not budget for this revenue streams.

**International development funding** is \$1.073m (83%) higher than budget, as activities have increased across the Department of Foreign Affairs and Trade (DFAT) program of work. The costs to administer the program such as flights, accommodation and salaries have increased and DFAT offset these costs with the international devolvement funding revenue.

**Changes in asset revaluation reserve** are \$1.506m (100%) higher than the budget due to the revaluation increment from an independent valuation on the ANAO's assets with the majority of movement an increase to leasehold improvements. Valuations are performed every three years and cannot be accurately budgeted for.

**Australian National Audit Office**  
**Statement of Financial Position**  
*as at 30 June 2024*

	Notes	2024 \$'000	2023 \$'000	2024 Original Budget \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4.1A	661	669	2,211
Trade and other receivables	4.1B	26,925	30,655	29,408
<b>Total financial assets</b>		<b>27,586</b>	<b>31,324</b>	<b>31,619</b>
<b>Non-financial assets</b>				
Buildings (ROU Assets)	4.2A	24,535	26,169	24,731
Leasehold improvements	4.2A	8,717	7,884	6,183
Plant and equipment	4.2A	2,743	2,895	3,659
Computer software	4.2A	-	153	339
Prepayments		976	925	506
<b>Total non-financial assets</b>		<b>36,971</b>	<b>38,026</b>	<b>35,418</b>
<b>Total assets</b>		<b>64,557</b>	<b>69,350</b>	<b>67,037</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	4.3A	2,888	4,180	3,013
Other Payables	4.3B	2,670	1,889	2,917
<b>Total payables</b>		<b>5,558</b>	<b>6,069</b>	<b>5,930</b>
<b>Interest bearing liabilities</b>				
Leases	4.4A	31,949	33,487	31,164
<b>Total interest bearing liabilities</b>		<b>31,949</b>	<b>33,487</b>	<b>31,164</b>
<b>Provisions</b>				
Employee provisions	1.1B	16,184	15,389	13,655
<b>Total provisions</b>		<b>16,184</b>	<b>15,389</b>	<b>13,655</b>
<b>Total liabilities</b>		<b>53,691</b>	<b>54,945</b>	<b>50,749</b>
<b>Net assets</b>		<b>10,866</b>	<b>14,405</b>	<b>16,288</b>
<b>EQUITY</b>				
Contributed equity		19,349	18,355	19,905
Reserves		2,614	1,108	1,128
Accumulated deficit		(11,097)	(5,058)	(4,745)
<b>Total equity</b>		<b>10,866</b>	<b>14,405</b>	<b>16,288</b>

The above statement should be read in conjunction with the accompanying notes.

**Budget Variances Commentary - Statement of Financial Position**

**Cash and cash equivalents** are \$1.550m (70%) lower than budget as the total cash balance of \$2.211m was higher than anticipated. The ANAO makes weekly payments to ensure suppliers and employees are paid on time, any additional funds are returned to the Official Public Account weekly reducing the cash balance.

**Trade and other receivables** are \$2.483m (8%) lower than budget due to appropriation receivable from prior years reducing as it was drawdown to fund the strategic projects and the operating loss.

**Leasehold improvements** are \$2.534m (41%) higher than budget due to the revaluation increment from an independent valuation on the leasehold asset. Current replacement costs are developed from recently analysed fit-outs projects undertaken by the ANAO, other government agencies and building cost publications. Consideration has been given to an asset's location, size, layout, fit-out density, function, quality and the conditions of relevant construction markets.

**Plant and equipment** are \$0.916m (25%) lower than budget due to less purchases made for IT equipment than expected.

**Computer software** is \$0.339m (100%) lower than budget as the ANAO is moving from perpetual licenses to investing in cloud-based services that cannot be capitalised.

**Prepayments** are \$0.470m (93%) higher than budget as the ANAO is utilising cloud-based services and the increase in prepayments relates to multi-year subscriptions for these services.

**Other Payables** are \$0.247m (8%) lower than budget as monies payable to Government entities for leave provision transfers were finalised, and accrued salaries being less than anticipated.

**Employee provisions** are \$2.529m (19%) higher than budget due to the increase in ASL, a new enterprise agreement including a four per cent pay rise as part of the APS-wide bargaining process, and APS staff transferring to the ANAO with large liability balances.



**Australian National Audit Office**  
**Statement of Changes in Equity**  
*for the period ended 30 June 2024*

	Notes	2024 \$'000	2023 \$'000	2024 Original Budget \$'000
<b>CONTRIBUTED EQUITY</b>				
<b>Opening balance as at 1 July</b>		<b>18,355</b>	17,947	18,911
<b>Transactions with owners</b>				
<b>Distributions to owners</b>				
Returns of capital <sup>1</sup>		-	(557)	-
<b>Contributions by owners</b>				
Departmental capital budget	2.1A	994	965	994
<b>Total transactions with owners</b>		<b>994</b>	408	994
<b>Closing balance as at 30 June</b>		<b>19,349</b>	18,355	19,905
<b>ACCUMULATED DEFICIT</b>				
<b>Opening balance as at 1 July</b>		<b>(5,058)</b>	(773)	(3,189)
<b>Comprehensive income</b>				
Deficit for the period		(6,039)	(4,301)	(1,556)
<b>Total comprehensive loss</b>		<b>(6,039)</b>	(4,301)	(1,556)
Transfers between equity components <sup>2</sup>		-	16	-
<b>Closing balance as at 30 June</b>		<b>(11,097)</b>	(5,058)	(4,745)
<b>ASSET REVALUATION RESERVE</b>				
<b>Opening balance as at 1 July</b>		<b>1,108</b>	1,124	1,128
<b>Comprehensive income</b>				
Other comprehensive income		1,506	-	-
<b>Total comprehensive income</b>		<b>1,506</b>	-	-
Transfers between equity components <sup>2</sup>		-	(16)	-
<b>Closing balance as at 30 June</b>		<b>2,614</b>	1,108	1,128
<b>TOTAL EQUITY</b>				
<b>Opening balance as at 1 July</b>		<b>14,405</b>	18,298	16,850
<b>Comprehensive income</b>				
Deficit for the period		(6,039)	(4,301)	(1,556)
Other comprehensive income		1,506	-	-
<b>Total comprehensive loss</b>		<b>(4,533)</b>	(4,301)	(1,556)
<b>Transactions with owners</b>				
<b>Distributions to owners</b>				
Returns of capital <sup>1</sup>		-	(557)	-
<b>Contributions by owners</b>				
Departmental capital budget	2.1A	994	965	994
<b>Total transactions with owners</b>		<b>994</b>	408	994
Transfers between equity components		-	-	-
<b>Closing balance as at 30 June</b>		<b>10,866</b>	14,405	16,288

<sup>1</sup>Appropriation Act (No. 1) 2020-21 lapses on 1 July 2023. This amount was legally available, but was removed from the appropriation receivable balance at 30 June 2023 as per section 39 of the Financial Reporting Rule and Resource Management Guide 116.

<sup>2</sup>This amount relates to the transfer of revaluation surplus of items of property, plant and equipment directly to retained earnings when the assets were derecognised in accordance with AASB 116 paragraph 41.

The above statement should be read in conjunction with the accompanying notes.

**Australian National Audit Office**  
**Cash Flow Statement**  
for the period ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000	2024 Original Budget \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Appropriations		105,749	93,623	92,234
Rendering of services		5,895	5,205	4,100
Net GST received		4,703	4,296	-
<b>Total cash received</b>		<b>116,347</b>	<b>103,124</b>	<b>96,334</b>
<b>Cash used</b>				
Employees		60,707	53,226	61,687
Suppliers		43,100	40,070	31,839
Section 74 receipts transferred to OPA		9,728	9,350	-
Interest payments on lease liabilities		496	414	466
<b>Total cash used</b>		<b>114,031</b>	<b>103,060</b>	<b>93,992</b>
<b>Net cash from operating activities</b>		<b>2,316</b>	<b>64</b>	<b>2,342</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash used</b>				
Purchase of plant and equipment		751	535	894
Purchase of intangibles		-	-	100
<b>Total cash used</b>		<b>751</b>	<b>535</b>	<b>994</b>
<b>Net cash used by investing activities</b>		<b>(751)</b>	<b>(535)</b>	<b>(994)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Contributed equity		751	535	994
<b>Total cash received</b>		<b>751</b>	<b>535</b>	<b>994</b>
<b>Cash used</b>				
Principal payments of leases liabilities		2,324	1,606	2,342
<b>Total cash used</b>		<b>2,324</b>	<b>1,606</b>	<b>2,342</b>
<b>Net cash used by financing activities</b>		<b>(1,573)</b>	<b>(1,071)</b>	<b>(1,348)</b>
<b>Net decrease in cash held</b>		<b>(8)</b>	<b>(1,542)</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period		669	2,211	2,211
<b>Cash and cash equivalents at the end of the reporting period<sup>1</sup></b>	4.1A	<b>661</b>	<b>669</b>	<b>2,211</b>

<sup>1</sup>As shown in the Statement of Financial Position.

The above statement should be read in conjunction with the accompanying notes.

**Budget Variances Commentary - Cash Flow Statement**

**Appropriations** are \$13.515m (15%) higher than budget due to an increase in cash required to pay suppliers and employees, including leave liability transfers, and using prior year appropriations to pay for IT and HR project costs.

**Rendering of services** are \$1.795m (44%) higher than budget due to revenue from audit fees, secondment fee revenue, parking revenue and international development funding being higher than originally anticipated.

**Suppliers** are \$11.261m (35%) higher than budget due to the ANAOs investment in capability which resulted in higher than anticipated staff related and IT costs. IT and HR projects, funded from prior year appropriations also increased the supplier cash used.

**Receipts transferred to the OPA** are \$9.728m (100%) higher than budget as the ANAO does not budget for receipts transferred to the OPA. Retainable receipts are money collected that can be retained and increases the balance of the existing appropriation. These receipts can vary in nature.

**Purchase of plant and equipment** are \$0.143m (16%) lower than budget due to purchase of IT equipment being less than originally planned in the capital management plan.

**Purchase of intangibles** are \$0.100m (100%) lower than budget as there has been a reduction in perpetual licence expenditure with the move to cloud-based services.

**Contributed equity** is \$0.243m (24%) lower than budget as the ANAO did not utilise the capital allocation for the year as a result of delayed capital works, these are expected to occur in 2024-25. Purchases that were scheduled before 30 June 2024 have been moved into the 2024-25 year.

**Australian National Audit Office**  
**Administered Schedule of Comprehensive Income**  
for the period ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000	2024 Original Budget \$'000
<b>INCOME</b>				
<b>Non-taxation revenue</b>				
Revenue from contracts with customers		15,160	15,228	14,224
<b>Total income</b>		<b>15,160</b>	<b>15,228</b>	<b>14,224</b>

**Budget Variances Commentary**

**Revenue from contracts with customers** is \$0.936m (7%) higher than budget due to increased fees charged for the delivery of audits of Corporate Commonwealth Entities and Commonwealth companies due to supplier cost increase and complexity in accounting for financial statement items.

**Administered Schedule of Assets and Liabilities**  
as at 30 June 2024

	Notes	2024 \$'000	2023 \$'000	2024 Original Budget \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents		-	-	-
Trade and other receivables	4.1C	9,503	9,402	7,127
<b>Total financial assets</b>		<b>9,503</b>	<b>9,402</b>	<b>7,127</b>
<b>Total assets administered on behalf of Government</b>		<b>9,503</b>	<b>9,402</b>	<b>7,127</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
GST payable		266	333	117
<b>Total payables</b>		<b>266</b>	<b>333</b>	<b>117</b>
<b>Total liabilities administered on behalf of Government</b>		<b>266</b>	<b>333</b>	<b>117</b>
<b>Net assets</b>		<b>9,237</b>	<b>9,069</b>	<b>7,010</b>

The above schedule should be read in conjunction with the accompanying notes.

**Budget Variances Commentary**

**Trade and other receivables** are \$2.376m (33%) higher than budget due to the timing of the work performed for financial statements audits resulting in a higher work-in-progress balance than expected.

<b>Australian National Audit Office</b>			
<b>Administered Reconciliation Schedule</b>			
for the period ended 30 June 2024			
	<b>Notes</b>	<b>2024</b>	2023
		<b>\$'000</b>	\$'000
<b>Opening assets less liabilities as at 1 July</b>		<b>9,069</b>	7,010
<b>Net contribution by services</b>			
Income		<b>15,160</b>	15,228
<b>Transfers to the Australian Government</b>			
Transfers to the Official Public Account		<b>(14,992)</b>	(13,169)
<b>Closing assets less liabilities as at 30 June</b>		<b>9,237</b>	9,069

Accounting Policy

Administered Cash Transfers to and from the Official Public Account (OPA).

Revenue collected by the ANAO for use by the Government rather than the ANAO is administered revenue. Collections are transferred to the OPA maintained by the Department of Finance. These transfers to the OPA are adjustments to the administered cash held by the ANAO on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

**Administered Cash Flow Statement**

for the period ended 30 June 2024

	<b>Notes</b>	<b>2024</b>	2023
		<b>\$'000</b>	\$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Rendering of audit services		<b>16,497</b>	14,464
<b>Total cash received</b>		<b>16,497</b>	14,464
<b>Cash used</b>			
GST paid		<b>1,505</b>	1,295
<b>Total cash used</b>		<b>1,505</b>	1,295
<b>Net cash from operating activities</b>		<b>14,992</b>	13,169
<b>Cash to Official Public Account</b>			
Appropriations		<b>14,992</b>	13,169
<b>Total cash to official public account</b>		<b>(14,992)</b>	(13,169)
<b>Net increase/(decrease) in cash held</b>		<b>-</b>	-
Cash and cash equivalents at the beginning of the reporting period		-	-
<b>Cash and cash equivalents at the end of the reporting period<sup>1</sup></b>		<b>-</b>	-

<sup>1</sup>As shown in the Administered Schedule of Assets and Liabilities.

## Australian National Audit Office

### Overview

#### Objectives of the Entity

The ANAO's purpose is to support accountability and transparency in the Australian Government sector through independent reporting to the Parliament, and thereby contribute to improved public sector performance. The Auditor-General is an independent officer of the Australian Parliament whose mandate and functions are set out in the *Auditor-General Act 1997*. The Auditor-General is assisted by the ANAO in delivering against this mandate.

The ANAO conducts the following administered activities:

- Financial statements audits of Corporate Commonwealth entities, Commonwealth companies and their subsidiaries subject to the *Public Governance, Performance and Accountability Act 2013*.

The ANAO is an Australian Government controlled and not-for-profit entity domiciled in Australia. The ANAO's principal place of business is 38 Sydney Avenue, Forrest in the Australian Capital Territory.

#### Basis of Preparation of the Financial Statements

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the overall result or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

#### Material Accounting Judgements and Estimates

The ANAO has made assumptions or estimates in the following areas that have the most material impact on the amounts recorded in the financial statements:

- The fair value of property, plant and equipment is assessed at market value or current replacement costs as determined by an independent valuer (Jones Lang LaSalle) with comprehensive valuation of carrying amount for all tangible assets being performed as at 30 June 2024. Fair value is subject to management assessment in between formal valuations; and
- Leave provisions involve assumptions based on the expected tenure of existing staff, patterns of leave claims and payouts, future salary movements and future discount rates. The Australian Government Actuary has performed a review of the on-cost parameters to be applied to the Long Service Leave (LSL) and Annual Leave (AL) liabilities as at 30 June 2024.

No other accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next twelve months.

## Australian National Audit Office

### Overview (continued)

#### Taxation

The ANAO is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

#### Reporting of Administered activities

The ANAO charges an audit fee for the financial statements audits of Corporate Commonwealth entities, Commonwealth companies and their subsidiaries subject to the *Public Governance, Performance and Accountability Act 2013*. These fees are based on a scale determined by the Auditor-General under section 14 of the *Auditor-General Act 1997*, calculated on the basis of a cost attribution model. Revenues from these audit fees are paid into the OPA and are not available to the ANAO. The revenue and receipts associated with conducting these audits are treated as administered activities within the financial statements.

#### Accounting policy - administered financial instruments

The net fair value of the financial assets approximates their carrying amounts. The ANAO derived no interest income from financial assets in either the current or prior year.

#### Events After the Reporting Period

##### *Departmental*

No events have occurred after the reporting date that should be brought to account or noted in the 2023-24 financial statements.

##### *Administered*

No events have occurred after the reporting date that should be brought to account or noted in the 2023-24 financial statements.



**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

**Note 1: People and Relationship**

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

**Note 1.1: Employee Benefits and Provisions**

	2024	2023
	\$'000	\$'000
<b>Note 1.1A: Employee benefits</b>		
Wages and salaries	47,610	40,291
Superannuation		
Defined contribution plans	5,519	4,760
Defined benefit plans	2,433	2,434
Leave entitlements	6,114	5,493
Other employee expenses	446	639
<b>Total employee benefits</b>	<b>62,122</b>	<b>53,617</b>
	2024	2023
	\$'000	\$'000
<b>Note 1.1B: Employee Provisions</b>		
Leave	16,184	15,389
<b>Total employee provisions</b>	<b>16,184</b>	<b>15,389</b>

All employee provisions relate to LSL and AL.

Accounting Policy

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts.

*Leave:*

The AL liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is taken, plus the ANAO's employer superannuation contribution rates and applicable on-costs, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for LSL has been determined using the LSL shorthand model issued by the Department of Finance (2023: LSL shorthand method). The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and enterprise agreements, which is unchanged from prior years.

*Superannuation:*

The ANAO's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), PSS accumulation plan (PSSap) or other eligible, elected defined contribution schemes. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's published financial statements.

The ANAO makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government, and accounts for the contributions as if they were contributions to defined contribution plans. The liability for superannuation recognised as at 30 June 2024 represents outstanding contributions.

**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

**Note 1.2: Key Management Personnel**

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the ANAO, directly or indirectly. The ANAO has determined the KMP to be the members of the Executive Board of Management.

Members of the Executive Board of Management were as follows:

Officer	Position	Term as KMP – 2023-24	Term as KMP – 2022-23
Grant Hehir	Auditor-General	Part Year <sup>1</sup>	Full Year
Rona Mellor PSM	Auditor-General (Acting)	Full Year <sup>2</sup>	Full Year
Carla Jago	Deputy Auditor-General (Acting)	Full Year <sup>3</sup>	Full Year
Anastasios Ioannou	Group Executive Director	Full Year	Full Year
Jane Meade	Group Executive Director	Full Year	Full Year
Bola Oyetunji	Group Executive Director	Part Year <sup>4</sup>	Full Year
George Sotiropoulos	Group Executive Director	Full Year	Full Year
Jacqueline Walton	Chief Operating Officer (Acting)	Full Year	Full Year
Lesa Craswell	Group Executive Director (Acting)	Full Year	Full Year
Michelle Page	Group Executive Director (Acting)	Part Year <sup>5</sup>	-
Xiaoyan Lu	Group Executive Director (Acting)	Part Year <sup>6</sup>	-
Corinne Horton	Group Executive Director (Acting)	Part Year <sup>7</sup>	-
Alison Garth	Chief Finance Officer	Full Year	Full Year

Notes:

1. Grant Hehir was Auditor-General until 15 February 2024.
2. Rona Mellor PSM was Deputy Auditor-General until 15 February 2024 and became A/g Auditor-General from 16 February 2024.
3. Carla Jago was Group Executive Director until 18 February 2024 and became A/g Deputy Auditor-General from 19 February 2024.
4. Bola Oyetunji was Group Executive Director until 03 April 2024.
5. Michelle Page A/g Group Executive Director from 19 February 2024.
6. Xiaoyan Lu A/g Group Executive Director from 19 February 2024.
7. Corinne Horton A/g Group Executive Director from 15 May 2024.



**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

The following tables are prepared on an accruals basis.

	2024	2023
	\$	\$
<b>Note 1.2A: Key management personnel remuneration</b>		
<b>Short-term benefits</b>		
Base salary	3,126,298	3,067,669
Other benefits and allowances	175,503	175,058
<b>Total short-term benefits</b>	<b>3,301,801</b>	<b>3,242,727</b>
Superannuation	497,143	496,425
<b>Total post-employment benefits</b>	<b>497,143</b>	<b>496,425</b>
Other long-term benefits:		
Long-service leave	150,791	123,241
<b>Total other long-term benefits</b>	<b>150,791</b>	<b>123,241</b>
Termination benefits	-	-
<b>Total key management personnel remuneration expenses</b>	<b>3,949,735</b>	<b>3,862,393</b>

The above KMP remuneration includes the remuneration and other benefits of the Auditor-General. The Auditor-General's remuneration and other benefits are set by the Remuneration Tribunal and paid from Special Appropriation as per *Auditor-General Act 1997* Schedule 1, Clause 3. Other KMP salaries expenses are paid from ordinary departmental appropriation. The total number of KMP that are included in the above table for the year ended 30 June 2024 is 13 (2023:10).

**Notes:**

- a. The remuneration totals (on a pro rata basis) for KMP include those staff who ceased in those roles as well as their replacements inclusive of acting arrangements. All appointments to the Executive Board of Management including any acting arrangements greater than four weeks are captured in this note.
- b. Members of the Executive Board of Management, apart from the Auditor-General, are employed in accordance with the *Public Service Act 1999*.

**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

**Note 1.2B: 2023-24 Key management personnel remuneration table**

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
		\$	\$	\$	\$	\$	\$	\$	\$
Grant Hehir	Auditor-General until 15 February 2024	425,467	-	-	63,286	17,816	-	-	506,569
Rona Mellor PSM	Auditor-General (Acting) on 16 February 2024 and Deputy Auditor-General until 15 February 2024	557,959	-	-	76,510	27,164	-	-	661,633
Carla Jago	Deputy Auditor-General (Acting) on 19 February 2024 and Group Executive Director until 18 February 2024	307,853	-	25,917	51,652	23,361	-	-	408,783
Anastasios Ioannou	Group Executive Director	276,724	-	25,917	48,085	18,858	-	-	369,584
Jane Meade	Group Executive Director	213,572	-	21,032	40,240	7,952	-	-	282,796
Bola Oyetunji	Group Executive Director until 3 April 2024	180,329	-	19,836	31,705	9,584	-	-	241,454
George Sotiropoulos	Group Executive Director	317,904	-	-	56,695	11,196	-	-	385,795
Jacqueline Walton	Chief Operating Officer (Acting)	252,819	-	25,932	43,905	10,973	-	-	333,629
Lesa Craswell	Group Executive Director (Acting)	237,833	-	27,941	35,379	6,350	-	-	307,503
Michelle Page	Group Executive Director (Acting) on 19 February 2024	87,833	-	9,079	12,789	3,428	-	-	113,129
Xiaoyan Lu	Group Executive Director (Acting) on 19 February 2024	89,863	-	8,964	9,932	4,431	-	-	113,190
Corinne Horton	Group Executive Director (Acting) on 15 May 2024	27,186	-	3,205	4,203	50	-	-	34,644
Alison Garth	Chief Finance Officer	150,956	-	7,680	22,762	9,628	-	-	191,026
<b>Total</b>		<b>3,126,298</b>	<b>-</b>	<b>175,503</b>	<b>497,143</b>	<b>150,791</b>	<b>-</b>	<b>-</b>	<b>3,949,735</b>

**Notes:**

1. This table is prepared on an accrual basis.
2. This table reports the total remuneration of KMP who received remuneration during the reporting period.
3. The Short-term benefits is comprised of:
  - a) Base salary (including: paid and accrued; paid while on AL; paid while on sick leave; higher duties allowance and purchased AL)
  - b) Bonuses – payable within 12 months; and
  - c) Other benefits and allowances (SES vehicle allowance, Senior Executive Director and Chief Finance Officer allowance.
4. The Superannuation contributions amount is the ANAO's superannuation contributions, including productivity component, for the reporting period.
5. The Other long-term benefits is the amount of LSL accrued and deferred (more than 12 months) for the reporting period. It also includes any salary paid while on LSL.
6. Some of the figures are impacted by the duration of service as KMP. Note 1.2 provides detail of the length of service for officers that were classified as KMP.
7. All Key Management Personnel Remuneration of acting arrangements greater than four weeks are captured in this note.

**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

**Note 1.2C: 2022-23 Key management personnel remuneration table**

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
		\$	\$	\$	\$	\$	\$	\$	\$
Grant Hehir	Auditor-General	693,650	-	-	95,829	20,653	-	-	810,132
Rona Mellor PSM	Deputy Auditor-General	451,464	-	-	73,594	19,386	-	-	544,444
Jane Meade	Group Executive Director	265,753	-	25,917	39,835	8,371	-	-	339,876
Carla Jago	Group Executive Director	276,327	-	25,917	49,924	12,307	-	-	364,475
Anastasios Ioannou	Group Executive Director	264,450	-	25,917	46,592	10,739	-	-	347,698
Bola Oyetunji	Group Executive Director	259,918	-	25,917	40,016	11,219	-	-	337,070
Jacqueline Walton	Senior Executive Director	236,893	-	24,920	40,705	14,190	-	-	316,708
Lesa Craswell	Senior Executive Director	183,265	-	46,275	33,516	8,415	-	-	271,471
George Sotiropoulos	Group Executive Director	289,035	-	-	54,916	8,431	-	-	352,382
Alison Garth	Chief Finance Officer (Acting)	146,914	-	195	21,498	9,530	-	-	178,137
<b>Total</b>		<b>3,067,669</b>	<b>-</b>	<b>175,058</b>	<b>496,425</b>	<b>123,241</b>	<b>-</b>	<b>-</b>	<b>3,862,393</b>

**Notes:**

1. This table is prepared on an accrual basis.
2. This table reports the total remuneration of KMP who received remuneration during the reporting period.
3. The Short-term benefits is comprised of:
  - a) Base salary (including: paid and accrued; paid while on AL; paid while on sick leave; higher duties allowance and purchased AL)
  - b) Bonuses – payable within 12 months; and
  - c) Other benefits and allowances (SES vehicle allowance and Senior Executive Director allowance).
4. The Superannuation contributions amount is the ANAO's superannuation contributions, including productivity component, for the reporting period.
5. The Other long-term benefits is the amount of LSL accrued and deferred (more than 12 months) for the reporting period. It also includes any salary paid while on LSL.
6. Some of the figures are impacted by the duration of service as KMP. Note 1.2 provides detail of the length of service for officers that were classified as KMP.

Australian National Audit Office  
Notes to and forming part of the financial statements

**Note 1.3: Remuneration Paid to Senior Executives**

**Note 1.3A: Senior executive remuneration**

2023-24

Total remuneration band	Number of senior executives	Short-term benefits				Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration	
		Average base salary	Average bonuses	Average other benefits and allowances <sup>(a)</sup>		Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration <sup>(a)</sup>	
				Overseas housing allowances	Other					Excluding overseas housing allowances	Including overseas housing allowances
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
\$0 to \$220,000	13	82,706	-	-	16,165	18,631	2,894	-	-	120,396	120,396
\$220,001 to \$245,000	3	174,727	-	-	24,584	26,365	9,545	-	-	235,221	235,221
\$245,001 to \$270,000	8	192,094	-	-	25,358	29,538	10,505	-	-	257,495	257,495
\$270,001 to \$295,000	6	217,704	-	-	19,355	36,400	7,709	-	-	281,168	281,168
\$295,001 to \$320,000	1	224,537	-	-	24,920	40,533	18,556	-	-	308,546	308,546
\$345,001 to \$370,000	1	190,541	-	109,070	24,920	34,219	10,562	-	-	260,242	369,312

a) Other short term benefits and allowances include overseas housing allowance and benefits paid on behalf of APS staff posted overseas. These staff are remunerated in accordance with the Whole of Government Overseas Conditions of Service Policy that is designed to compensate for the differences in locations in such matters as the cost of living, the cost of accommodation and the security environment.

**Notes:**

1. This table is prepared on an accrual basis.
2. This table reports the average total remuneration of Senior Executives who received remuneration during the reporting period.
3. The Short-term benefits is comprised of:
  - a) Average base salary (including: paid and accrued; paid while on AL; paid while on sick leave; higher duties allowance and purchased AL)
  - b) Average bonuses – payable within 12 months; and
  - c) Average other benefits and allowances (SES vehicle allowance).
4. The Superannuation contributions amount is the average of the ANAO's superannuation contributions, including productivity component, for the reporting period.
5. The Other long-term benefits is the average amount of LSL accrued and deferred (more than 12 months) for the reporting period. It also includes the average of any salary paid while on LSL.
6. Those ANAO officers that have been classified as KMP (as per Note 1.2B) have not been included in this note disclosure.
7. The average other benefits and allowances have not been split to show the overseas housing allowances in the prior year comparative table as the value of these particular benefits and allowances did not distort the total remuneration.
8. The remuneration for all senior executive acting arrangements greater than four weeks are captured in this note.

**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

2022-23

Total remuneration band	Number of senior executives	Short-term benefits				Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration	
		Average base salary	Average bonuses	Average other benefits and allowances <sup>(a)</sup>		Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration <sup>(a)</sup>	
				Overseas housing allowances	Other					Excluding overseas housing allowances	Including overseas housing allowances
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
\$0 to \$220,000	10	71,843	-	-	15,543	13,982	(2,196)	-	-	99,172	99,172
\$220,001 to \$245,000	11	174,757	-	-	24,775	30,157	4,897	-	-	234,586	234,586
\$245,001 to \$270,000	5	183,776	-	-	28,203	30,619	10,418	-	-	253,016	253,016
\$270,001 to \$295,000	4	218,025	-	-	18,975	37,932	7,560	-	-	282,492	282,492
\$345,001 to \$370,000	1	174,613	-	107,579	24,920	33,176	7,230	-	-	239,939	347,518

a) The value of overseas housing allowances reported in the table above reflects remuneration paid to staff posted overseas in accordance with the Whole of Government Overseas Conditions of Service Policy that is designed to compensate for the wider financial and non-financial impacts a posting can have on the employee, the increased cost of living, and the increased security environment. In these circumstances the total value of an individual staff member's total remuneration is impacted by the value of the overseas housing allowances paid on behalf of the staff member and the table above is reported to enable a fuller understanding of the extent of this impact while still reporting the total remuneration of each relevant staff member as required by the disclosure requirements of the PGPA Rule.

**Notes:**

1. This table is prepared on an accrual basis.
2. This table reports the average total remuneration of Senior Executives who received remuneration during the reporting period.
3. The Short-term benefits is comprised of:
  - a) Average base salary (including paid and accrued; paid while on AL; paid while on sick leave; higher duties allowance and purchased AL)
  - b) Average bonuses – payable within 12 months; and
  - c) Average other benefits and allowances (SES vehicle allowance).
4. The Superannuation contributions amount is the average of the ANAO's superannuation contributions, including productivity component, for the reporting period.
5. The Other long-term benefits are the average amount of LSL accrued and deferred (more than 12 months) for the reporting period. It also includes the average of any salary paid while on LSL.
6. Those ANAO officers that have been classified as KMP (as per Note 1.2B) have not been included in this note disclosure.
7. The average other benefits and allowances have not been split to show the overseas housing allowances in the prior year comparative table as the value of these particular benefits and allowances did not distort the total remuneration.
8. The remuneration for all senior executive acting arrangements greater than four weeks are captured in this note.

Australian National Audit Office  
Notes to and forming part of the financial statements

**Note 1.4: Remuneration Paid to Highly Paid Staff**

Note 1.4A: Other highly paid staff remuneration

2023-24

Total remuneration band	Number of other highly paid staff	Short-term benefits				Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration	
		Average base salary	Average bonuses	Average other benefits and allowances <sup>(a)</sup>		Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration allowances <sup>(a)</sup>	
		\$	\$	Overseas housing allowances	Other	\$	\$	\$	\$	Excluding overseas housing allowances	Including overseas housing allowances
				\$	\$					\$	\$
\$295,000 - \$320,000	2	168,311	-	96,485	8,239	24,814	8,107	-	-	209,471	305,956

All other highly paid personnel are remunerated under the terms set out in the ANAO Enterprise Agreement 2016–2019, Section 24(1) Determination and ANAO Enterprise Agreement 2024-27.

a) Other short-term benefits and allowances include overseas housing allowance and benefits paid on behalf of APS staff posted overseas. The value of overseas housing allowances reported in the table above reflects remuneration paid to staff posted overseas in accordance with the Whole of Government Overseas Conditions of Service Policy that is designed to compensate for the wider financial and non-financial impacts a posting can have on the employee, the increased cost of living, and the increased security environment. In these circumstances the total value of an individual staff member's total remuneration is impacted by the value of the overseas housing allowances paid on behalf of the staff member and the table above is reported to enable a fuller understanding of the extent of this impact while still reporting the total remuneration of each relevant staff member as required by the disclosure requirements of the PGPA Rule.

**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

**2022-23**

Total remuneration band	Number of other highly paid staff	Short-term benefits				Post-employment benefits Average superannuation contributions	Other long-term benefits		Termination benefits Average termination benefits	Total remuneration	
		Average base salary	Average bonuses	Average other benefits and allowances <sup>(a)</sup>			Average long service leave	Average other long-term benefits		Average total remuneration <sup>(a)</sup>	
				Overseas housing allowances	Other					Excluding overseas housing allowances	Including overseas housing allowances
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
\$245,001 - \$270,000	1	138,145	-	86,092	4,582	21,405	5,774	-	-	169,906	255,998
\$270,001 - \$295,000	1	156,112	-	107,884	195	22,924	7,115	-	-	186,346	294,230

All other highly paid personnel are remunerated under the terms set out in the ANAO Enterprise Agreement 2016–2019 and Section 24(1) Determination.

a) The value of overseas housing allowances reported in the table above reflects remuneration paid to staff posted overseas in accordance with the Whole of Government Overseas Conditions of Service Policy that is designed to compensate for the wider financial and non-financial impacts a posting can have on the employee, the increased cost of living, and the increased security environment. In these circumstances the total value of an individual staff member's total remuneration is impacted by the value of the overseas housing allowances paid on behalf of the staff member and the table above is reported to enable a fuller understanding of the extent of this impact while still reporting the total remuneration of each relevant staff member as required by the disclosure requirements of the PGPA Rule.



**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

**Note 1.5: Related Party Disclosures**

**Related party relationships:**

The ANAO is an Australian Government controlled entity. Related parties of the ANAO include:

1. KMP (see Note 1.2 Key Management Personnel);
2. Portfolio and Cabinet Ministers;
3. Close family members of the persons identifies in (1) and (2) above;
4. An entity which is controlled or jointly controlled by a member of the KMP; and
5. All other Australian Government entities.

**Transactions with related parties:**

Significant transactions with related parties can include:

1. purchases of goods and services;
2. asset purchases, sales transfers or leases; and
3. debts forgiven.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the ANAO, it has been determined that there are no related party transactions to be disclosed other than KMP remuneration disclosed in Note 1.2.

**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

**Note 2: Funding**

This section identifies the ANAO's funding structure.

**Note 2.1: Appropriations**

	2024 \$'000	2023 \$'000
<b>Note 2.1A: Annual appropriations ('recoverable GST exclusive')</b>		
Ordinary annual services	91,456	83,414
Departmental capital budget <sup>1</sup>	994	965
Receipts retained under PGPA Act - Section 74 <sup>2</sup>	9,474	9,132
<b>Total appropriation</b>	<b>101,924</b>	<b>93,511</b>
Appropriation applied (current and prior years)	105,486	93,477
<b>Variance<sup>3</sup></b>	<b>(3,562)</b>	<b>34</b>

<sup>1</sup>Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCB) are recognised directly in contributed equity in that year.

Departmental and administered capital budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

<sup>2</sup>PGPA Act - Section 74 receipts of amounts by non-corporate Commonwealth entities. This amount includes fees charged on a cost recovery basis to conduct audits by arrangement under section 20 of the *Auditor General Act 1977*.

<sup>3</sup>The variance relates to funds being drawn from the prior year appropriation balance to deliver projects and offset the ANAO deficit from continuing operations.

	2024 \$'000	2023 \$'000
<b>Note 2.1B: Unspent annual appropriations ('recoverable GST exclusive')</b>		
<b>Departmental</b>		
<i>Appropriation Act (No. 1) 2020-21<sup>1</sup></i>	-	557
<i>Appropriation Act (No. 1) 2021-22</i>	-	596
<i>Supply Act (No. 1) 2022-23</i>	171	402
<i>Supply Act (No. 3) 2022-23</i>	563	27,135
<i>Appropriation Act (No. 1) 2023-24</i>	23,177	-
<b>Total departmental</b>	<b>23,911</b>	<b>28,690</b>

<sup>1</sup>The remaining unspent balance of the Appropriation Act (No. 1) 2020-21 lapsed on 1 July 2023. This amount was legally available, but was removed from the appropriation receivable balance at 30 June 2023 as per section 39 of the FRR.

	Appropriation Applied 2024 \$'000	Appropriation Applied 2023 \$'000
<b>Note 2.1C: Special appropriations ('recoverable GST exclusive')</b>		
<b>Authority</b>		
<i>Auditor-General Act 1997, Schedule 1, sections 3 and 7 Unlimited amount for the remuneration of the Auditor-General</i>	768	767
<b>Total special appropriations applied</b>	<b>768</b>	<b>767</b>

**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

**Note 2.2: Net Cash Appropriation Arrangements**

	2024	2023
	\$'000	\$'000
<b>Total comprehensive loss - as per the Statement of Comprehensive Income</b>	<b>(6,039)</b>	(4,301)
<i>Plus:</i> depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/ or equity injections)	<b>1,667</b>	1,666
<i>Plus:</i> depreciation right-of-use assets	<b>2,413</b>	2,415
<i>Less:</i> lease principal repayments	<u><b>2,324</b></u>	<u>1,606</u>
<b>Net cash operating deficit</b>	<u><b>(4,283)</b></u>	<u>(1,826)</u>

The ANAO is required to prepare this note as:

- it receives appropriations through DCB funding or equity appropriations to fund asset purchases and replacements; and
- it is a lessee with right-of-use assets and lease liabilities.

**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

**Note 3: Financial Performance**

This section analyses the financial performance of the ANAO for the period ended 30 June 2024.

**Note 3.1: Expenses**

	2024	2023
	\$'000	\$'000
<b>Note 3.1A: Suppliers</b>		
<b>Goods and services</b>		
Consultants	1,197	810
Contractors	22,372	23,335
Information and communication technology	8,257	7,159
Travel	579	935
Professional development	967	928
Professional services	438	542
Staff related expenses	1,407	934
Recruitment	772	638
Property operating expenses	376	296
Other	562	768
<b>Total goods and services supplied</b>	<b>36,927</b>	<b>36,345</b>
<b>Other suppliers</b>		
Low value leases	50	119
Workers compensation expenses	338	251
<b>Total other suppliers</b>	<b>388</b>	<b>370</b>
<b>Total suppliers</b>	<b>37,315</b>	<b>36,715</b>

*Accounting Policy*

The ANAO has elected not to recognise right-of-use assets and lease liabilities for leases where the lease term is shorter than 12 months or the leased asset is of a low value (less than \$10,000). The ANAO recognises lease payments associated with these leases evenly over the lease term.

	2024	2023
	\$'000	\$'000
<b>Note 3.1B: Finance costs</b>		
Interest on lease liabilities	496	497
<b>Total finance costs</b>	<b>496</b>	<b>497</b>

*Accounting Policy*

All borrowing costs are expensed as incurred.

**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

**Note 3.2: Own-Source Income**

	2024	2023
	\$'000	\$'000
<b>Note 3.2A: Own source revenue</b>		
Revenue from contracts with customers	2,902	2,875
Rendering of other services	536	1,259
International development funding	2,373	2,415
<b>Total own source of revenue</b>	<u>5,811</u>	<u>6,549</u>
<b>Disaggregation of total own source of revenue</b>		
Type of customer:		
Australian Government entities (related parties)	5,521	5,796
State and Territory Governments	74	162
Non-government entities	216	591
	<u>5,811</u>	<u>6,549</u>
Timing of transfer of goods and services:		
Over time	2,902	2,875
Point in time	2,909	3,674
	<u>5,811</u>	<u>6,549</u>

*Accounting Policy*

Revenue from contracts with customers is recognised when the performance obligations required under enforceable agreements are satisfied. This can result in revenue being recognised over the term of the contract or at a point in time, subject to the specific terms and conditions of the agreement.

**Note 3.3: Revenue from Government**

	2024	2023
	\$'000	\$'000
<b>REVENUE FROM GOVERNMENT</b>		
<b>Note 3.3A: Revenue from Government</b>		
<b>Appropriations:</b>		
Departmental annual appropriations	91,456	83,414
Departmental special appropriations	768	767
<b>Total revenue from Government</b>	<u>92,224</u>	<u>84,181</u>

Amounts appropriated for departmental operating activities for the year (adjusted for any formal additions or reductions and less DCB) are recognised as Revenue from Government when the ANAO gains control of the appropriation.

Appropriations receivable are recognised at their nominal amounts.

**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

**Note 4: Financial Position**

This section analyses the ANAO's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationship section.

**Note 4.1: Financial Assets**

	2024	2023
	\$'000	\$'000
<b>Note 4.1A: Cash and Cash Equivalents</b>		
Cash and cash equivalents	661	669
<b>Total cash and cash equivalents</b>	<u>661</u>	<u>669</u>

*Accounting Policy*

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand and deposits in bank accounts.

	2024	2023
	\$'000	\$'000
<b>Note 4.1B: Trade and Other Receivables</b>		
Trade receivables	692	1,290
Contract assets from contracts with customers	1,832	1,409
GST receivable from the Australian Taxation Office	490	491
Appropriation receivable	23,911	27,465
<b>Total trade and other receivables</b>	<u>26,925</u>	<u>30,655</u>

	2024	2023
	\$'000	\$'000
<b>Note 4.1C: Trade and Other Receivables - Administered</b>		
Trade receivables	2,936	3,664
Contract assets from contracts with customers	6,567	5,738
<b>Total trade and other receivables</b>	<u>9,503</u>	<u>9,402</u>

Credit terms for goods and services were within 30 days (2023: 30 days).

*Accounting Policy*

*Financial assets:*

Financial assets are comprised of trade receivables and other receivables that are held for the purpose of collecting the contractual cash flows and are measured at amortised cost.

*Impairment:*

The ANAO recognises a loss allowance and impairment expense at an amount equal to lifetime expected credit losses.

As the ANAO's receivables relate to outstanding debts with other Commonwealth entities, no impairment has been recognised for 2023-24 (2022-23: Nil).

*Contract assets from contracts with customers:*

Contract assets from contracts with customers relate to costs incurred on audit engagements less interim billings. Contract assets from contracts with customers are valued at an amount that is expected to be recovered.

**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

**Note 4.2: Non-Financial Assets**

**Note 4.2A: Property Plant and Equipment and Intangibles**

Reconciliation of opening and closing balances of property, plant and equipment and intangibles for 2024

	Leasehold Improvements	Buildings (ROU Assets)	Plant & equipment	Intangibles - Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2023</b>					
Gross book value	9,245	34,610	4,037	3,405	51,297
Accumulated depreciation, amortisation and impairment	(1,361)	(8,441)	(1,142)	(3,252)	(14,196)
<b>Total as at 1 July 2023</b>	<b>7,884</b>	<b>26,169</b>	<b>2,895</b>	<b>153</b>	<b>37,101</b>
Additions - by purchase or internally developed	-	-	751	-	751
Additions - right-of-use assets	-	767	-	-	767
Revaluations and impairments recognised in other comprehensive income	1,514	-	(9)	-	1,506
Depreciation and amortisation expense	(681)	-	(877)	(109)	(1,667)
Depreciation on right-of-use assets	-	(2,413)	-	-	(2,413)
Write down and impairment of assets	-	-	(17)	(44)	(61)
Adjustments on right-of-use assets	-	12	-	-	12
<b>Total as at 30 June 2024</b>	<b>8,717</b>	<b>24,535</b>	<b>2,743</b>	<b>-</b>	<b>35,995</b>
<b>Total as at 30 June 2024 represented by</b>					
Gross book value	8,717	35,389	2,772	2,008	48,886
Accumulated depreciation, amortisation and impairment	-	(10,854)	(29)	(2,008)	(12,891)
<b>Total</b>	<b>8,717</b>	<b>24,535</b>	<b>2,743</b>	<b>-</b>	<b>35,995</b>
Carrying amount of right-of-use assets	-	<b>24,535</b>	-	-	<b>24,535</b>

*Accounting Policy - Property, plant and equipment*

*Asset recognition:*

Purchases of non-financial assets are initially recognised at cost in the Statement of Financial Position, except for purchases costing less than \$4,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

*Lease Right of Use (ROU) Assets:*

Leased ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by ANAO lessees as separate asset classes to corresponding assets owned outright but included in the same column as where the corresponding underlying assets would be presented if they were owned.

*Revaluations of non-financial assets:*

Following initial recognition at cost, leasehold improvement, and plant and equipment (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value). Carrying amounts are reviewed every year to determine if an independent valuation is required. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.



**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

*Accounting Policy (continued)*

Following initial recognition ROU assets continue to be carried at cost and are not subject to revaluation.

*Fair Value:*

With the exception of ROU assets which continue to be recognised at cost, all other property, plant and equipment is measured at fair value in the Statement of Financial Position. When estimating fair value, market prices (with adjustment) were used, where available. Where market prices were not available, current replacement cost was used (i.e. level 3).

*Contractual commitments for the acquisition of property, plant, equipment and intangible assets:*

Current contractual commitments for the acquisition of property, plant, and equipment are \$177,249 as at 30 June 2024 (2023: \$48,550). This contract is for the purchase of audio-visual equipment to support stakeholder collaboration and the ANAO's flexible workplace.

The fair value of ANAO's plant and equipment, and leasehold improvements is based on value in use. The ANAO has not disclosed quantitative information about the significant unobservable inputs for the level 3 measurements in these classes.

*Impairment:*

Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset.

All assets were assessed for indicators of impairment at 30 June 2024, and no material impairment was identified.

*Derecognition:*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

*Depreciation:*

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the ANAO, using in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated over the lesser of the estimated useful life of the improvement or the lease term. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date. Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2024	2023
Leasehold improvements	Lease term	Lease term
Right-of-use assets	Lease term	Lease term
IT Assets	2 to 11 years	2 to 11 years
Office equipment	5 to 30 years	5 to 30 years

*Intangibles:*

The ANAO's intangibles comprise off-the-shelf software and associated enhancement costs. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the ANAO's software are 3 to 5 years (2023: 3 to 5 years).

*Impairment:*

All intangible assets were assessed for indicators of impairment at 30 June 2024. Where indications of impairment exist, intangibles are measured at their recoverable amount, if that amount is lower than the assets current carrying amount.

**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

**Note 4.3: Liabilities**

	2024 \$'000	2023 \$'000
<b>Note 4.3A: Suppliers</b>		
Trade creditors and accruals	2,888	4,180
<b>Total supplier payables</b>	<u>2,888</u>	<u>4,180</u>

*Accounting Policy*

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). Supplier payables are settled within 20 days.

	2024 \$'000	2023 \$'000
<b>Note 4.3B: Other payables</b>		
Unearned revenue	98	-
Other payables	2,572	1,889
<b>Total other payables</b>	<u>2,670</u>	<u>1,889</u>

**Note 4.4: Interest Bearing Liabilities**

	2024 \$'000	2023 \$'000
<b>Note 4.4A: Leases</b>		
Lease liabilities		
Leases	31,949	33,487
<b>Total leases</b>	<u>31,949</u>	<u>33,487</u>
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	2,912	2,808
Between 1 to 5 years	12,641	14,725
More than 5 years	19,014	19,000
<b>Total leases</b>	<u>34,567</u>	<u>36,533</u>

Total cash outflow for leases for the year ended 30 June 2024 was \$2,324,000 (2023: \$1,606,000).

The ANAO in its capacity as lessee, entered into a lease contract for a period of 15 years (with one option of 5 years) commencing from 1 January 2020 in relation to 38 Sydney Avenue office premises. The rent is increased on each anniversary of the commencement date including any options by 3.5%, except that on the commencement of each option term the rent will be reviewed to market.

On 8 August 2023, the ANAO varied the vehicle parking lease to extend the licence until 30 October 2029. ANAO has recognised the right-of-use assets and lease liabilities as required under AASB 16 Leases.

The above lease disclosures should be read in conjunction with the accompanying notes 3.1B, 4.2A and 5.1.

*Accounting Policy*

For all new contracts entered into, the ANAO considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Australian National Audit Office  
Notes to and forming part of the financial statements

**Note 5: Other Information**

**Note 5.1: Current/Non-Current Distinction for Assets and Liabilities**

	2024	2023
	\$'000	\$'000
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	661	669
Trade and other receivables	26,925	30,655
Prepayments	976	894
<b>Total no more than 12 months</b>	<u>28,562</u>	<u>32,218</u>
<b>More than 12 months</b>		
Buildings (ROU Assets)	24,535	26,169
Leasehold improvements	8,717	7,884
Plant and equipment	2,743	2,895
Computer software	-	153
Prepayments	-	31
<b>Total more than 12 months</b>	<u>35,995</u>	<u>37,132</u>
<b>Total assets<sup>1</sup></b>	<u>64,557</u>	<u>69,350</u>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Suppliers	2,888	4,180
Other payables	2,670	1,889
Leases	2,452	2,342
Employee provisions	4,995	4,356
<b>Total no more than 12 months</b>	<u>13,005</u>	<u>12,767</u>
<b>More than 12 months</b>		
Leases	29,497	31,145
Employee provisions	11,189	11,033
<b>Total more than 12 months</b>	<u>40,686</u>	<u>42,178</u>
<b>Total liabilities</b>	<u>53,691</u>	<u>54,945</u>

	2024	2023
	\$'000	\$'000
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	-	-
Trade and other receivables	9,503	9,402
<b>Total no more than 12 months</b>	<u>9,503</u>	<u>9,402</u>
<b>Total assets</b>	<u>9,503</u>	<u>9,402</u>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
GST payable	266	333
<b>Total no more than 12 months</b>	<u>266</u>	<u>333</u>
<b>Total liabilities</b>	<u>266</u>	<u>333</u>

<sup>1</sup>Total assets includes GST payable.

**Australian National Audit Office**  
**Notes to and forming part of the financial statements**

**Note 5.2: Remuneration of Auditors**

	2024	2023
	\$	\$
<b>Fees for services provided</b>		
Financial statements audit services	130,000	90,000
Performance statements audit services	69,700	59,610
<b>Total</b>	<u>199,700</u>	<u>149,610</u>

Mr. Shane Bellchambers was appointed as Independent Auditor for 5 years from 1 April 2024 under clause 1 of Schedule 2 to the *Auditor-General Act 1997*. Mr. Bellchambers audits the annual performance statements under contract for the ANAO. Mr. Bellchambers is appointed in a personal capacity and performs no other services for the ANAO.

Ms. Eileen Hoggett was appointed as Independent Auditor for 5 years from 1 March 2019 under clause 1 of Schedule 2 to the *Auditor-General Act 1997*. Ms. Hoggett audits the annual performance statements under contract for the ANAO. Ms. Hoggett is appointed in a personal capacity and performs no other services for the ANAO.

# Part 4 — Governance, capability and risk management

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As part of its strategic planning framework, the ANAO regularly reviews and updates its governance arrangements, undertakes mature risk management and adopts an integrated approach to organisational capability. The ANAO's governance framework includes several committees with clear responsibilities and terms of reference, and procedures for clear lines of accountability.

The ANAO's commitment to strategic planning and ongoing capability development ensures that we can continue to achieve our purpose. Our investments in capability support the ANAO to uphold public sector principles and values, while building sufficient flexibility and expertise to meet future needs.

Part 4 outlines the ANAO's approach and continued commitment to corporate governance, strategic planning, capability investment and risk management.

## Accountable authority

The Auditor-General is responsible for both delivering the functions set out in the *Auditor-General Act 1997* (the Act) and managing the ANAO within the arrangements of the broader Australian Public Service (APS). Part 6 of the Act establishes the ANAO under the *Public Service Act 1999* and requires the organisation to operate as an entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In line with the requirements and expectations of the PGPA Act, the Auditor-General manages the ANAO in achieving its purpose through the application of effective corporate governance. The ANAO's approach to delivering quality outcomes and sound decision-making is underpinned by good governance.

During 2023–24, Mr Grant Hehir was the accountable authority of the ANAO from 1 July 2023 to 15 February 2024, when he held the position of Auditor-General, and Ms Rona Mellor PSM, Acting Auditor-General, was the accountable authority of the ANAO from 16 February to 30 June 2024.

## Governance

The ANAO's governance framework supports the organisation to uphold public sector principles and values — including legislative requirements for accountability, leadership, transparency, integrity, efficiency and risk management. The framework ensures that our operations remain compliant with relevant laws, standards and directions. This supports effective management of the organisation to achieve its purpose and meet public and community expectations of probity, accountability and transparency.

### Governance structure

The Executive Board of Management is the ANAO's leading committee. At 30 June 2024, it was supported by six subcommittees and three operational committees. It also benefits from reports to the Auditor-General from the independent Audit Committee.

The ANAO’s governance structure and strategic planning framework are outlined in Figure 4.1.

## Executive Board of Management

The Executive Board of Management assists the Auditor-General to meet their statutory responsibilities as the ANAO’s accountable authority under the PGPA Act. The board membership consists of the lead executive of all ANAO groups and the Chief Finance Officer. Table 4.1 shows the members of the Executive Board of Management at 30 June 2024. The board allows members to raise and resolve issues of significance for the agency and delivers collective leadership, enabling the ANAO to pursue and deliver strategic goals, commitments and initiatives outlined in the corporate plan.

Board responsibilities include approving and reviewing progress on the ANAO’s direction and commitments across key organisational responsibilities — for example, reviewing progress against the corporate plan, approving the annual budget and key business initiatives such as the methodology and quantum of charge-out rates, and identifying and monitoring strategic risks and opportunities. The board meets monthly, and terms of reference are reviewed annually.

**Table 4.1: Membership of the Executive Board of Management, at 30 June 2024**

Board member	Position
Ms Rona Mellor PSM	Acting Auditor-General, Chair
Ms Carla Jago	Acting Deputy Auditor-General
Ms Lesa Craswell	Acting Group Executive Director, Financial Statements Audit Services Group
Ms Corinne Horton	Acting Group Executive Director, Performance Audit Services Group
Ms Michelle Page	Acting Group Executive Director, Performance Audit Services Group — Defence
Mr George Sotiropoulos	Group Executive Director, Performance Statements Audit Services Group
Ms Jane Meade	Group Executive Director, Professional Services Group
Ms Jacqueline Walton	Acting Chief Operating Officer, Corporate Management Group
Ms Xiaoyan Lu	Acting Group Executive Director, Systems Assurance and Data Analytics Group
Ms Alison Garth	Chief Finance Officer, Corporate Management Group

The board’s key decisions are communicated to staff via an all-staff email containing a link to the Auditor-General’s monthly message on the ANAO intranet.

Information on the remuneration of key management personnel is available at Note 1.2 of the 2023–24 financial statements.

## Subcommittees

The ANAO has established subcommittees to support the Executive Board of Management. The subcommittees ensure organisational accountability and transparency, providing oversight and risk management in specific areas of operations. Subcommittees report to the executive board through summary reports and meeting minutes. The terms of reference for each committee are reviewed annually.

At 30 June 2024, the ANAO had six subcommittees:

- **People and Change Committee** — provides strategic advice to the Executive Board of Management on people and capability development and on managing change in the ANAO;
- **Quality Committee** — provides assurance and assistance to the Executive Board of Management on the ANAO's quality framework, and strategic and operational risks associated with quality;
- **Finance Committee** — advises the Executive Board of Management on financial matters, and monitors the strategic and operational risks associated with resources;
- **Security Committee** — provides assurance and assistance to the Executive Board of Management on the ANAO's security framework and monitors associated strategic and operational risks;
- **Work Health and Safety Committee** — monitors and reviews the ANAO's work health and safety (WHS) policies and practices, and advises the Executive Board of Management on WHS matters; and
- **Information Technology Strategic Committee** — provides advice to the Executive Board of Management on information technology and business system strategic directions and investments.

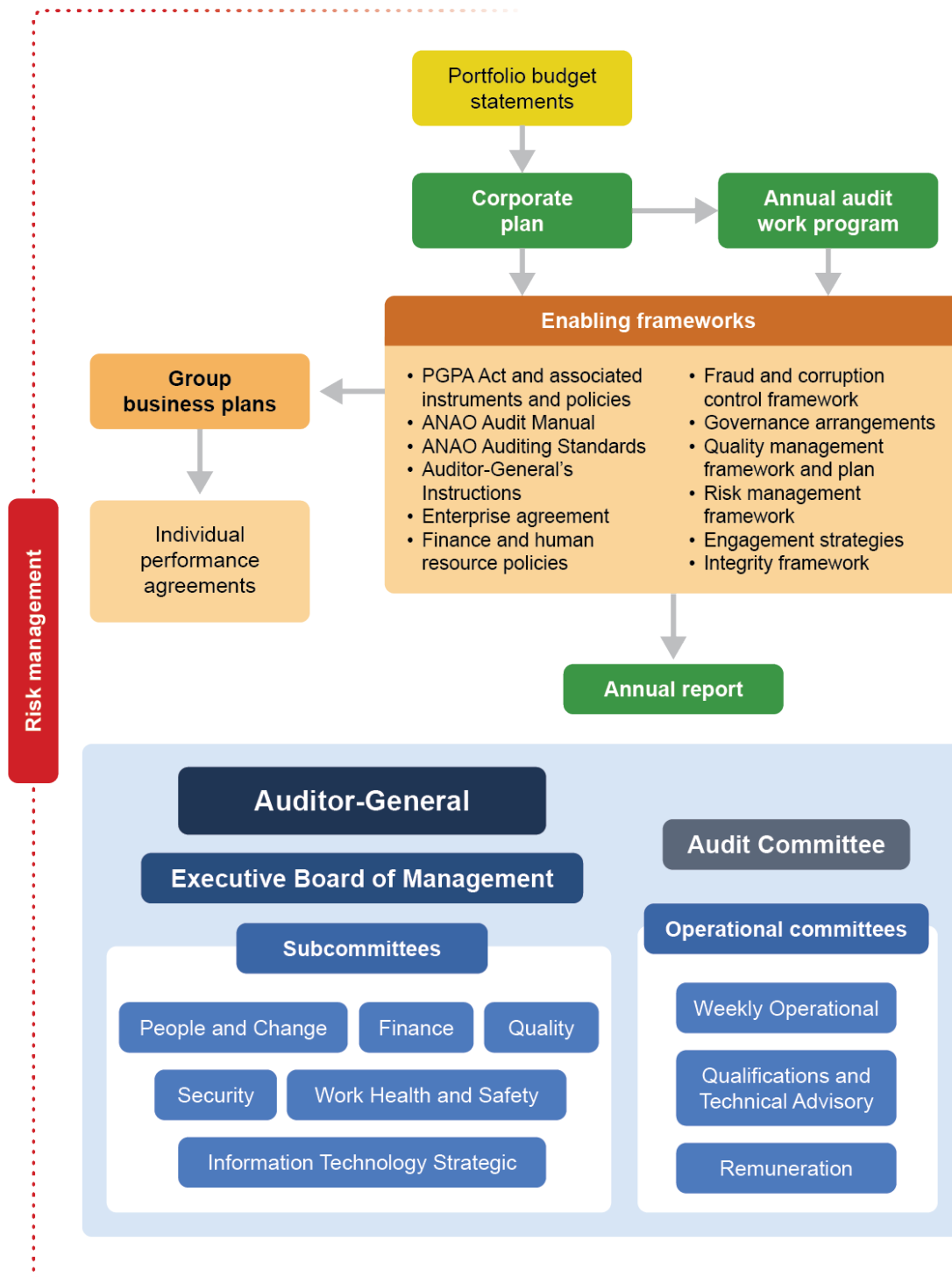
### Operational committees

At 30 June 2024, the ANAO had three operational committees:

- **Remuneration Committee** — advises the Auditor-General on remuneration;
- **Qualifications and Technical Advisory Committee** — provides a forum for audit engagement executives to consult on difficult or contentious matters and, where necessary, resolve differences of opinion on audit-related matters. ANAO policy identifies the matters that must be referred to the committee, and the committee meets as required to provide advice to the Auditor-General; and
- **Weekly Operational Committee** — oversees the operational activities of the ANAO, with a particular emphasis on staffing, performance and external relations. The committee also considers the status of the audit program in service group reporting and any other matters of strategic importance to the ANAO.



Figure 4.1: ANAO governance structure and strategic planning framework, at 30 June 2024



## Audit Committee

The Audit Committee provides independent assurance and advice to the Auditor-General, including reviewing the appropriateness of the ANAO's financial and performance reporting, systems of risk oversight and management, and systems of internal control.

The Audit Committee's charter sets out the committee's role, authority, membership and functions, and its procedural, reporting and administrative arrangements. The charter is available on the Governance page on the ANAO website ([anao.gov.au/about/governance](http://anao.gov.au/about/governance)).

The Audit Committee met four times during 2023–24. Details of the Audit Committee's membership in 2023–24, including remuneration for the period, meeting attendance, and experience and qualifications of members, are provided in Table 4.2.

**Table 4.2: Membership of the ANAO Audit Committee for 2023–24**

Member name	Qualifications, knowledge, skills and experience	No. of meetings attended	Total no. of meetings held	Total annual remuneration (incl. GST)	Role on committee and starting date
Ms Maria Storti	<p>Independent chair and member of several Commonwealth audit committees and non-executive director.</p> <p>Former EY advisory partner and worked with PwC in the areas of audit, consultancy and risk.</p> <p>Senior executive roles in various sectors, including responsibility for corporate planning and performance reporting.</p> <p>Fellow of Chartered Accountants Australia and New Zealand, Fellow of the Australian Institute of Company Directors, and member of the Institute of Internal Auditors – Australia.</p> <p>Master of Business Administration and Bachelor of Economics.</p>	4	4	\$15,400	Chair (Member since 13 October 2020)
Mr Bruce Meehan	<p>Former PwC and EY partner with over 40 years of professional services experience.</p> <p>Extensive offshore experience in Europe, the United States and the Asia-Pacific region.</p> <p>Member of Chartered Accountants Australia and New Zealand.</p> <p>Bachelor of Commerce and Graduate Diploma in Information Technology.</p>	4	4	\$11,000	Member (since 1 September 2021)

Member name	Qualifications, knowledge, skills and experience	No. of meetings attended	Total no. of meetings held	Total annual remuneration (incl. GST)	Role on committee and starting date
Mr Peter Quiggin PSM KC	Former First Parliamentary Counsel for the Australian Government. Member of a number of Commonwealth audit committees and non-executive board member. Former member of the Board of Taxation and a number of government review panels. Commonwealth King's Counsel and Fellow of the Australian Institute of Company Directors. Bachelor of Laws, Bachelor of Science (Computing and Pure Mathematics) and Graduate Diploma in Professional Accounting.	4	4	\$11,000	Member (since 1 February 2023)

## Strategic planning framework

Strategic planning drives the ANAO's activities, enabling us to adjust our performance and resourcing to align with emerging priorities and risks, and supports us in achieving our purpose. The ANAO identifies its organisational priorities and performance measures in its corporate plan, and reports on its performance in the annual performance statements within the annual report.

The Executive Board of Management tracks all organisational priorities, risks, performance measures and strategic projects, including milestones and dependencies. The board ensures the effective operation of the organisation through the ANAO's governance subcommittees. The subcommittees regularly monitor progress on how the ANAO delivers its three key audit programs: financial statements audit, performance statements audit and performance audit.

Each year, the ANAO undertakes strategic planning exercises, examining corporate and audit priorities. These exercises inform our corporate plan, forward audit work program and group business plans. We balance the priorities of delivering high-quality and trusted mandatory audits of financial statements, audits of performance statements as requested by the Minister for Finance, and performance audits that examine key issues for government and offer assurance to the Parliament.

In July each year, the Auditor-General publishes an annual audit work program, which is developed after consideration of audit findings and portfolio risks, and extensive consultation with key stakeholders. We design the program to respond to current and emerging risks and challenges impacting public administration. The work program complements the corporate plan. It reflects the organisation's audit strategy and informs the Parliament, government entities and the public of the planned audit coverage for the Australian Government sector.

Key elements of the ANAO's strategic planning framework for 2023–24 are presented in Figure 4.1. Further details on the ANAO corporate plan and annual audit work program are provided below.

## Corporate plan

The [corporate plan](#) is the ANAO's primary strategic planning document and sets out how we will achieve our purpose over a four-year period. It articulates the purpose and operating environment for the ANAO, and how we identify and manage risk in that environment. The plan details the intended activities and performance of the ANAO, including performance measures, capability investments and strategies to help deliver our purpose.

## Annual audit work program

The [annual audit work program](#) sets out the ANAO's audit strategy and deliverables for the coming financial year. It informs the Parliament, the public and government sector entities of the planned coverage of the Australian Government sector. The program presents information on the financial statements audits, performance audits, performance statements audits and other assurance engagements for each portfolio. It also includes information on audits in progress and audits recently tabled.

A whole-of-organisation planning process brings together the knowledge and insights gained across all ANAO audit activity to identify priority areas of audit coverage. In determining the 2024–25 program, the ANAO considered prior-year audit and other review findings to inform portfolio risks and areas for improvement, as well as emerging risks from new investments, reforms or changes in the operating environment.

The ANAO provided a draft of the annual audit work program to the Parliament for consultation through the Joint Committee of Public Accounts and Audit (JCPAA), consistent with the Auditor-General's requirement to have regard to the audit priorities of the Parliament. The JCPAA identified 25 audit priority topics during consultation for the Annual Audit Work Program 2024–25. Of these 25 audit priorities, 23 were included in the final program.<sup>9</sup> The remaining two priorities will be brought back for consideration as part of the 2025–26 program. We also sought feedback from accountable authorities of Australian Government entities affected by the proposed audit coverage, members of the public, the Commonwealth Ombudsman, the Inspector-General of Taxation, the Inspector-General of Intelligence and Security, the Inspector-General of Aged Care, the Australian Information Commissioner, and the Commissioner and Chief Executive Officer of the National Anti-Corruption Commission.

As part of the performance audit program, the ANAO undertakes a series of audits on the implementation of agreed parliamentary committee and Auditor-General recommendations, to provide assurance to the Parliament that actions to improve public administration are implemented as intended and agreed, and within reasonable timeframes. At 30 June 2024, the ANAO has tabled six audits in this series, with another cross-entity audit included in the 2024–25 work program.

Key focus areas of the Annual Audit Work Program 2024–25 include:

- key accountabilities as outlined in the *Public Governance, Performance and Accountability Act 2013*, including proper use of public resources — efficient, effective, economical and ethical;
- significant government procurement activities and grants program administration;
- entity implementation of agreed recommendations made by parliamentary committees and the Auditor-General;

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<sup>9</sup> Audits covering three of these priorities commenced before 30 June 2024 and are expected to table in the Parliament in approximately 2024–25 quarter four.

- compliance with government legislation and policy frameworks;
- effective delivery of services to the Australian public;
- cybersecurity and IT systems controls; and
- an ongoing series of audits of major areas of public investment, such as in the Department of Defence, the National Disability Insurance Scheme, programs targeting Aboriginal and Torres Strait Islander peoples, and programs focused on climate change, energy and the environment.

## Organisational capability

The ongoing development of the ANAO's capability ensures that we can continue to achieve our purpose. Investments in capability support the ANAO to uphold public sector principles and values, while building sufficient flexibility and expertise to meet future needs.

The ANAO's Corporate Plan 2023–24 outlined capability investments we would make to ensure that we continue to deliver on our purpose. The areas of investment were:

- workforce;
- productivity and technology; and
- quality.

The ANAO is committed to building capability that is forward focused, supporting the work of our auditors, data analysts and corporate services professionals now and into the future. The information below reports on our progress in implementing these capability investments.

### Workforce

The ANAO is a professional organisation of curious and critical thinkers who have strong analytical capabilities and act with the highest integrity. We are committed to investing in our people and supporting their development as leading audit and public service professionals.

To support current and future audit work, the ANAO continues to identify strategic opportunities to explore new ways of working, develop existing areas of capability, and embed efficiencies in our organisational design and processes.

At 30 June 2024, the ANAO had a headcount of 429 ongoing staff. Details of the ANAO workforce, including workforce composition, coverage of employment instruments, diversity statistics and salary information, can be found at Appendix C. The ANAO's staff engagement and performance strategies are outlined in Appendix D.

### Workforce plan

In 2023–24, the ANAO continued implementation of the ANAO Workforce Plan 2022–2025, enhancing critical technical and leadership skills and knowledge, and strengthening our workforce engagement and retention practices and processes.

Several workforce plan initiatives were progressed during 2023–24, including reviewing and improving our employee onboarding processes, developing a new graduate marketing campaign, and implementing a 360-degree feedback and leadership coaching program for our executive-level cohort. Preparations for a new workforce plan in the coming year are also underway.

## Attract

During 2023–24, the ANAO commenced development of an employee value proposition. The purpose of the value proposition is to highlight the unique benefits and opportunities the ANAO has to offer current and potential employees. We aim to leverage the employee value proposition to attract the highly skilled and professional workforce we need to deliver on our purpose and audit outcomes.

Our commitment to inclusive attraction and recruitment practices was sustained throughout 2023–24. Provisions such as RecruitAbility supported our recruitment of a more diverse workforce. Individual flexibility agreements enabled greater flexibility for staff in the workplace, with the aim of improving job satisfaction and productivity, and attracting and retaining a diverse workforce of skilled and valuable staff.

We continued to invest in our entry-level talent pipeline through our graduate and intern programs. In 2023–24, 40 graduates commenced with the ANAO across two intakes — in October 2023 and February 2024. We attracted a graduate cohort with a broad spectrum of backgrounds, abilities and professional qualifications to enrich our workforce. In addition to the graduate development program, we continued our paid intern program to identify and foster suitably qualified talent to contribute to our work and provide interns with the opportunity to gain valuable workplace experience.

During the year, we delivered an enhanced onboarding experience, ensuring our new talent is well prepared, engaged and productive from the outset. Our onboarding activities comprise pre-onboarding communication, early connections with colleagues, a buddy program and a tailored induction learning pathway, including engagement with our senior leaders to learn about the ANAO culture and purpose.

## Develop

The ANAO core capability framework supports our strategic approach to growing our own talent through ongoing professional development. The framework defines the knowledge, skills and behaviours expected of our workforce, encompassing three curriculum areas:

- essentials — foundational and public sector capabilities for all roles;
- technical — job family-specific and professional capabilities; and
- leadership — management and leadership capabilities for current and future leaders.

Building on the establishment of the ANAO Academy in 2022, our efforts in 2023–24 focused on supporting staff to attain professional qualifications, and prioritising critical capability development in fields such as data analytics, performance management, communication and leadership.

During 2023–24, experienced ANAO audit practitioners led the development of technical audit capability. In November 2023, we delivered our annual festival of learning, LearnFest, with the theme, 'Leading with integrity — driving improvements in public sector performance'.

Throughout the year, we strengthened capability governance in the ANAO through the ANAO Academy to achieve a more coordinated approach to staff and professional development. We progressed a number of workforce plan initiatives, such as:

- delivering a refreshed talent management program to two cohorts of high-performing and high-potential future and emerging leaders;

- expanding the graduate development program, including participation in the APS-wide graduate event series, to provide our graduates with the opportunity to build essential public sector capabilities and develop their APS network;
- developing and piloting a learning evaluation framework and tools to monitor the effectiveness of ANAO learning initiatives for continuous improvement; and
- optimising our learning management system and other digital learning resources to improve capability development access and user experience.

### *Retain*

The ANAO recognises that auditing is a challenging profession and we actively seek to retain our high-performing workforce by empowering our people through flexible policies — ensuring they can achieve their best while maintaining a healthy work-life balance.

The new ANAO Enterprise Agreement 2024–2027 introduced progressive measures aimed at fostering flexible ways of working to enhance employee satisfaction and productivity. The agreement underscores the ANAO’s dedication to contemporary workplace practices, offering employees enhanced flexibility to achieve a balance between professional obligations and personal needs.

The agreement includes updated remuneration structures ensuring competitive pay for our employees. It allows flexibility in certain employment conditions, such as regular salary reviews and adjustments, and individual flexibility agreements to meet the genuine needs of the employee and the ANAO.

At the ANAO, we recognise the health, safety and wellbeing of our employees is the highest priority. In 2023–24, we strengthened our efforts to support employee wellbeing and inclusiveness by:

- embedding our human resource business partnering model to deliver early intervention strategies and data-driven decision-making through regular engagement with business lines;
- increasing support for managers and individuals on the performance management process, including the provision of communications, resources and training;
- continuing the delivery of wellness initiatives such as Employee Assistance Program onsite appointments, an annual health check program, flu vaccinations, workstation assessments, and subsidised eyesight testing and spectacles;
- implementing a calendar of tailored wellbeing events, resources and programs to promote employee wellness as part of the ANAO Census Action Plan 2023;
- supporting our staff-led networks and initiatives such as the Diversity Contact Officer Network, the Reconciliation Action Plan Working Group, and the Workplace Consultative Forum; and
- adopting the APS continuous learning model to enable our staff to access a broad range of inclusive learning experiences and resources suited to their individual preferences and needs.

### **APS Employee Census results and ANAO Census Action Plan 2023**

The Australian Public Service (APS) Employee Census is an annual survey administered by the Australian Public Service Commission. The survey collects confidential information from APS employees on their attitudes and opinions on issues in the workplace.



The ANAO recognises that the survey provides an opportunity for employees to share their experience of working within our organisation and the public service — and for the ANAO to respond to this feedback.

In 2023, the APS Employee Census was conducted from 8 May to 9 June. The ANAO received the census results in August 2023. The ANAO had a response rate of 89 per cent, with 329 of 371 employees responding to the survey. ANAO staff participation in the survey compared favourably with the APS more generally, which reported a response rate of 80 per cent. A high response rate gives the ANAO assurance that the results are representative of how staff feel about their work and the workplace.

Overall, the ANAO results were positive, reflecting a workforce that strongly believes in the purpose and objectives of the organisation. The ANAO scored strongly against the indices of employee engagement, communication and change, leadership — SES manager, and leadership — immediate supervisor, receiving an index score of 75 or above in each area. The results show that not only have we improved or maintained our results in these areas compared with the APS Employee Census 2022, but the ANAO also sits above the overall APS scores for all four indices. In previous years, our Senior Executive Service (SES) and other leaders have focused on improving communication and engagement. These continue to be areas of strength and will remain a focus in the way we work.

In December 2023, we published the Census Action Plan 2023–24 in response to the results from the APS Employee Census. The ANAO identified two key focus areas for improvement: wellbeing and innovation. The ANAO received an index score of 69 for ‘wellbeing policies and support’ and 64 for ‘enabling innovation’ — scores that are lower than the ANAO’s results for other key areas, albeit comparable to the overall APS.

During 2023–24, we implemented several activities and initiatives to support and improve employee experience in these areas. Results against the plan will be included in the next census action plan.

### **ANAO Enterprise Agreement 2024–2027**

In March 2024, the Fair Work Commission approved the ANAO Enterprise Agreement 2024–2027. This approval was granted following a dedicated bargaining and consultation process. The agreement reflects the ANAO’s commitment to fostering a supportive and professional workplace, with a focus on fairness, inclusivity and productivity.

### **Productivity and technology**

The ANAO maintains an ongoing focus on building productivity as a key capability. We recognise that improved productivity is critical to demonstrating the efficient use of taxpayer funds in the delivery of our work to the Parliament and the public.

In 2023–24, we achieved productivity improvements through a focus on using resources strategically, streamlining our business practices and modernising our ways of working. Productivity improvements are designed to become part of our business-as-usual processes, enabling continued improvement and enhanced capability.

We have achieved productivity improvements through our increased use of data analytics, new audit solutions and systems involving automation of procedures, the modernisation of back-end infrastructure and the redevelopment of our information technology strategy.

## Data analytics

The ANAO continues to invest in capabilities to further realise the benefits of data analytics for audits. A specialist data analytics team within the ANAO works with audit teams to use data to produce more efficient and effective audit work while maintaining quality. The data analytics team also supports corporate functions such as data-driven decision-making and streamlining the analysis of internal performance reporting. The team's audit analytics section focuses on designing bespoke solutions for individual audit needs, and a data engineering and automation section designs and implements standardised data analytics solutions.

Standardised data analytics solutions provide a standard, consistent and data-driven approach to some of the common areas of audit testing. These solutions continue to be the default approach for audit teams, unless the circumstances of an audit require a different approach. The ANAO continues to develop new standardised solutions to support audit requirements and identify opportunities for further development.

## Responding to emerging technology issues

The ANAO continues to develop its capability to provide assurance to the Parliament on new issues and risks arising from the adoption of new technologies within government.

In 2023–24, the ANAO commenced its first audit examining the implementation of artificial intelligence, in the Australian Taxation Office. We will use this audit to develop an approach for similar audits, in line with increased adoption of artificial intelligence, and automated decision-making, by government entities. The ANAO continues to monitor entity adoption of new technology, and other learnings from peer institutions within Australia and overseas, to inform our future audit work.

The ANAO has also developed an audit strategy as part of its response to changes in the cybersecurity environment. This strategy aims to:

- streamline the analysis of cyber threat and risk information to support the ANAO's audit activities and products;
- establish and enhance key strategic relationships with agencies responsible for cybersecurity across the Australian Government; and
- undertake industry engagement and continuous monitoring of changes in the cyber threat landscape to improve awareness of the latest cybersecurity trends, issues, risks and opportunities.

## New audit tools and systems

The ANAO's Corporate Management Group works with the ANAO's business groups to provide strategic guidance and project management expertise for the selection, delivery and modernisation of business applications in the ANAO. This capability promotes continuous improvement through change management in business and technology to enable improved delivery of audit services.

In 2023–24, the ANAO migrated from a centralised data centre to a distributed cloud-based infrastructure. This creates an environment where we have on-demand capacity and scalability as well as increased security controls over the network.

## Information technology strategy

In 2023–24, the ANAO continued to invest in new technology, to keep pace with relevant changes in the technological landscape and ensure audit teams have the tools they need to work efficiently and effectively. We are developing a Digital Strategy 2024–2028 that will drive our future technology delivery. We expect that the strategy will be approved in 2024–25.

The ANAO has progressed the delivery of its future-state architecture, which has brought new capabilities to support more efficient data analysis. We have also progressed plans to provide a streamlined mechanism for audited entities to send audit data, which will realise efficiencies. In 2023–24, the future-state program delivered foundational capabilities to enable further transformation, by reviewing data governance and cloud management practices. We also migrated remaining applications into the ANAO’s Azure environment to realise efficiencies.

## Quality

The quality of ANAO audit work is reliant on the strength of its independence and quality framework. The ANAO’s quality framework and plan articulate the system of quality management that the ANAO has established to support the delivery of high-quality audit work, and enables the Auditor-General to have confidence in the opinions and conclusions in the reports prepared for the Parliament.

The ANAO defines audit quality as the provision of timely, accurate and relevant audits — performed independently in accordance with the *Auditor-General Act 1997* (the Act) and the ANAO Auditing Standards and methodologies — that are valued by the Parliament. Delivering quality audits results in improved public sector performance through accountability and transparency.

The ANAO’s work is governed by the [ANAO Auditing Standards](#) established by the Auditor-General, in accordance with section 24 of the Act. The ANAO Auditing Standards incorporate quality management standards issued by the Auditing and Assurance Standards Board, including ASQM 1 – *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*.

The ANAO published its [Quality Management Framework and Plan 2023–24](#) in July 2023. In December 2023, the ANAO published its [Audit Quality Report 2022–23](#), which sets out the Auditor-General’s evaluation on the implementation and operating effectiveness of the quality management framework for 2022–23. The report provides transparency around the processes, policies and procedures that support each element of the quality management framework and the ANAO’s performance results against audit quality indicators and associated benchmarks. The audit quality report also assesses the ANAO’s achievement of the quality assurance strategy and deliverables, as set out in the Quality Assurance Framework and Plan 2022–23.

In 2023–24, the ANAO’s internal auditor conducted a review of the ANAO’s implementation of ASQM 1, including its evaluation on the implementation and operating effectiveness of the quality management framework. The internal audit found that the ANAO had undertaken appropriate actions to implement the revised quality management standard. The appropriateness of these actions was demonstrated through the ANAO’s interpretation of the standard’s requirements, staff awareness of changes and what they mean, as well as alignment of the ANAO Audit Manual, the Quality Management Framework and Plan 2023–24, and other internal documents with the standard.

In 2023–24, the ANAO continued to expand its root cause analysis program as part of the enhanced system of quality management. In previous years, the ANAO conducted formal root cause analysis

on the findings identified in financial statements audit quality assurance reviews. In August 2023, the ANAO completed a root cause analysis on the findings identified in performance audit quality assurance reviews for the first time. In April 2024, the ANAO completed a root cause analysis on the findings identified in performance statements audit quality assurance reviews for the first time, and also conducted root cause analyses on the findings identified in financial statements and performance audit quality assurance reviews. Each root cause analysis was undertaken in parallel with the finalisation of the quality assurance reviews, and follow-up actions were developed to address the underlying drivers of the deficiencies identified.

In addition, the ANAO identified opportunities to continuously enhance and improve its quality framework through the Australian Securities and Investments Commission's annual review of selected financial statements audits, the peer review of performance audits conducted by the New Zealand Office of the Auditor-General, and internal audits of compliance with ANAO Audit Manual policies.

## Methodology

The ANAO Auditing Standards are supported by a methodology that is applicable to performance audit, financial statements audit and performance statements audit work, and that is incorporated into the [ANAO Audit Manual](#). The ANAO regularly reviews and updates this methodology to reflect changes in the ANAO Auditing Standards, industry better practice, and new and emerging products, and to address findings from the ANAO's quality assurance program.

In 2023–24, the ANAO finalised its review and update of the performance audit methodology for audits of efficiency. The ANAO also continued to refine its methodology for performance statements audits based on its growing experience in this area.

## Risk management

The effective management of risk is integral to achieving our objectives and supporting our purpose. Risk management is a critical component of the ANAO's approach to good governance, and is integrated into our oversight structures, strategic planning framework and values-driven, high-performance culture.

### Risk management framework

The ANAO's Risk Management Framework 2022–2024 is based on adherence to the Commonwealth Risk Management Policy, which adopts definitions outlined in ISO 31000:2018 *Risk Management — Guidelines*. The framework includes the ANAO enterprise risk register.

The ISO standard defines risk as 'the effect of uncertainty on objectives', and risk management as the 'coordinated activities to direct and control an organisation with regard to risk'. The Commonwealth's policy has nine elements and the ANAO has established risk oversight and management systems to address each of those elements.

The ANAO continuously reviews the organisation's enterprise risk register, which captures strategic and operational risks and their related controls. The Executive Board of Management ensures organisational accountability and transparency of risk through the oversight of its subcommittees.

Risks are managed in the context of achieving organisational goals and objectives. While all staff contribute to the way risks are managed, senior staff in key positions have a clear view of the

mitigating controls and their effectiveness at controlling risks. The risk management framework identifies specific responsibilities for key personnel across the ANAO, and the enterprise risk register assigns owners for each enterprise-level risk.

The ANAO's management of risk is embedded into all business-as-usual practices, using consistent language, approaches and documentation. The adoption of risk analysis tools is applicable to the ANAO's operations across all groups. This approach ensures all ANAO staff have a general responsibility to practise active risk management. Risks associated with audit products are identified and managed within the delivery of the products and within the quality framework for audits. Audit policies, procedural guidance and progress reviews take risk into consideration.

The Auditor-General takes advice from the Executive Board of Management and the Audit Committee into account when approving the risk management framework and enterprise risk register, and when determining the ANAO's appetite and tolerance for risk. The Executive Board of Management reviews enterprise risks at each board meeting, considering any serious risk incidents for the month, and any residual risk assessed as 'high' or above, as outlined in the ANAO risk management policy.

All subcommittees provide oversight of specific areas of strategic operations and are responsible for identifying and managing relevant corporate risks on an ongoing basis. The subcommittees report to the Executive Board of Management on operational and enterprise risks relevant to their responsibilities. The Weekly Operational Committee meetings may also discuss a range of operational and strategic risks.

The ANAO conducts periodic reviews of its internal controls and compliance framework. These reviews consider factors such as the size of the ANAO and its functions, the risk profile of the organisation, resource management arrangements and compliance history. The committees, as well as internal audit and the ANAO's external auditor, contribute to these reviews.

The Professional Services Group and the three audit services groups have primary responsibility for managing audit risk. Each individual audit work plan assesses operational risks and mitigation strategies, and risk is assessed at all audit review points. Responsibility for managing operational audit risk is assigned to responsible senior executives and audit managers.

The risk management framework is linked and aligned with the ANAO Fraud and Corruption Strategy 2024–2026.

## Internal audit

Internal audit provides an objective audit service that is designed to add value and improve the ANAO's operations. A systematic and disciplined approach is taken to evaluate and improve the effectiveness of risk management control and governance processes.

In 2023–24, the ANAO's internal auditor, Sententia, completed the following internal audit reports:

- Travel and Expense Management (June 2024); and
- ANAO Quality Assurance Program — ASQM 1 Implementation (February 2024).

The two completed internal audits made eight recommendations in total. Following the Audit Committee meeting in July 2024, there were seven agreed recommendations not yet fully implemented.

## Control environment

The ANAO has a robust control environment in place to ensure compliance with the requirements of the Commonwealth's resource management framework, and in particular the *Public Governance, Performance and Accountability Act 2013*.

The current control framework includes the following policies and procedures, which document key business procedures and details of key internal controls:

- Auditor-General Instructions — these apply key principles and requirements of the Commonwealth's resource management framework to the operations of the ANAO;
- financial management procedures (to support the Auditor-General Instructions);
- delegations and authorisations; and
- an employee manual.

Regular reviews of controls are undertaken by management and internal audit. Reviews of our control environment include consideration of our approach to:

- probity and independence;
- fraud and corruption control and prevention;
- disclosure of the Auditor-General's expenses;
- gifts and benefits;
- outside employment; and
- the results of our compliance survey.

## Probity and independence

The ANAO's commitment to high ethical and professional standards underpins the quality of our work. For audit professionals, independence is an element central to the quality of each audit. It requires all members of the audit team to avoid circumstances that could compromise their ability to act with integrity and exercise objectivity and professional scepticism. The ANAO Auditing Standards and ANAO independence policies require staff and contractors engaged in audits to comply with the relevant provisions of the Accounting Professional and Ethical Standards Board's APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*. Any threat to independence must be evaluated and safeguards applied to reduce the threat to an acceptable level. Situations where a threat cannot be reduced to an acceptable level are not entered into or not allowed to continue.

When conducting procurements, the ANAO adheres to the Department of Finance's [Ethics and Probity in Procurement](#) principles. Staff involved in assessing procurements are required to receive a probity briefing from the procurement team. All procurements require the completion of probity and conflict of interest declarations from staff involved in evaluating the responses before they are given access to the responses. Probity and conflict of interest requirements are applied with appropriate and proportionate measures informed by sound risk management principles. Probity is applied to each individual procurement based on value, the level of complexity, and risk. Complex procurements have nominated probity advisers included in the evaluation team — either internal ANAO staff or specialised external probity advisers.

In order to maintain credibility and demonstrate independence, the ANAO regards integrity as a core value of the organisation — critical in sustaining the confidence of the Parliament, strengthening public trust in government and delivering quality audit products.

The ANAO Integrity Framework and processes include good governance practices, publishing of gifts and benefits, and an ongoing focus on independence in the delivery of our work. Beyond its integrity framework, the ANAO maintains an enduring focus on promoting integrity as an organisational value that is embedded in our work and culture.

### Fraud and corruption control and prevention

The ANAO continues to maintain appropriate fraud and corruption prevention, detection, investigation, reporting and data collection procedures in accordance with the Public Governance, Performance and Accountability Rule 2014.

The ANAO reviewed and updated the organisation's Fraud and Corruption Framework in June 2024. The updates reflect the changes to the Commonwealth Fraud Rule and Fraud Policy, which are in effect from 1 July 2024.

The Chief Operating Officer, Corporate Management Group, is responsible for managing the ANAO Fraud and Corruption Strategy 2024–2026, including fraud and corruption detection, prevention and response. The strategy fulfils requirements outlined in the Commonwealth Fraud and Corruption Control Framework and is linked to the ANAO Risk Management Framework 2022–2024.

There were no incidents of fraud or corruption in 2023–24.

The ANAO periodically reviews its fraud and corruption control plan, considering changes in the operating environment. Through the appropriate governance frameworks, the Executive Board of Management and various ANAO subcommittees monitor the organisation's fraud and corruption risks and controls, and action is taken as required.

The ANAO enhances fraud and corruption awareness among staff through various mechanisms, including a mandatory fraud and corruption e-learning module. This training is required to be completed by new staff to the ANAO, and completed annually, as a refresher, for all staff.

In 2023–24, fraud and corruption awareness was emphasised in several information sessions and internal communication strategies. It was also highlighted through our Integrity Awareness Week activities, which included presentations by ANAO staff.

### Auditor-General's disclosure of expenses

To ensure transparency, the Auditor-General makes voluntarily public disclosures of any expenses incurred. The [Auditor-General's expenses](#) are disclosed every six months. Expenses for the 2023 calendar year and for January to June 2024 are available on the ANAO website.

### Gifts and benefits

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 declined) through an internal gifts and benefits register within 10 business days of the offer being made. The data collected through the register is reported to the Executive Board of Management, and a subset of the data is [reported publicly](#).



## Outside employment

In 2023–24, the ANAO continued its focus on supporting the ANAO workforce to work in a range of flexible ways, including participating in outside employment. ANAO employees may engage in outside employment activities if they are considered to serve the public interest and provide professional benefits for both the individual and the ANAO. Outside employment includes activities such as additional paid or unpaid employment, or volunteer activities pursued by an employee alongside their official APS responsibilities, or during periods of paid or unpaid leave from the ANAO.

Employees must obtain prior approval for all outside activities and employment, unless specifically excluded from the policy. If an employee began outside employment before joining the ANAO, upon commencement they must seek approval to continue. Approval is not required for personal activities, voluntary community work, or passive investments such as rental properties and share trading, provided they are conducted in the employee's personal time, without using ANAO resources, and do not conflict with official duties.

At 30 June 2024, the ANAO had 16 approvals recorded for staff undertaking outside employment.

## Compliance survey

ANAO employees who exercise delegated powers and responsibilities assert their compliance with the financial framework, including compliance with the PGPA Act, by completing a compliance survey. Twenty-one instances of non-compliance were reported for the 2023–24 financial year, all of which were deemed to be non-significant breaches of the finance law and associated legislation, and the ANAO delegations.

There were nine instances where procurements made by the ANAO were registered on AusTender after 42 days and four instances of breaches of section 23 of the PGPA Act, where delegate approval was not obtained prior to varying a contract. The ANAO has internal controls to mitigate the likelihood of procurements not being reported on AusTender within the mandated timeframe and strengthened its processes to ensure appropriate delegation is obtained before entering into a contract variation.

There were eight instances of misuse of the ANAO's corporate credit card in 2023–24. This represents less than 0.1 per cent of total credit card transactions. Although the proportion of misuse is small, each instance is investigated, with all incidents found to be inadvertent. All instances of credit card misuse were reported to the Executive Board of Management. The Chief Finance Officer contacted those staff who misused their credit card, reminded them of their obligations when using the card, and ensured that the amounts associated with the misuse of the credit cards were repaid into the ANAO's bank account.

The biannual compliance survey administered in January 2024 and July 2024, identified that some staff members at the ANAO need further education on the ANAO's governance frameworks and policy documents to increase their confidence. The ANAO is taking steps to further educate employees to ensure there is a strong understanding of their obligations regarding compliance.

## External scrutiny

The ANAO's operations, processes and reports are periodically subject to independent external review.

Part 7 of the *Auditor-General Act 1997* provides for the appointment of an Independent Auditor, who undertakes the audit of the ANAO's financial statements and carries out selected performance audits, having regard to the audit priorities of the Parliament as determined by the Joint Committee of Public Accounts and Audit. The Independent Auditor position is a part-time statutory appointment for a period of at least three years and not more than five years. Ms Eileen Hoggett's five-year term (2019–2024) as ANAO's Independent Auditor ceased on 1 March 2024. The Governor-General appointed Mr Shane Bellchambers as the ANAO's Independent Auditor, commencing 1 April 2024 for a period of four years.

The Independent Auditor conducts an audit of the ANAO's performance statements at the request of the Auditor-General to provide independent assurance to the Parliament. The ANAO received unmodified auditor reports on its financial statements and performance statements for the year ended 30 June 2024.

No decisions made by a court or administrative tribunal or by the Australian Information Commissioner had a significant effect on the ANAO's operations in 2023–24. The ANAO was not the subject of any agency capability reviews or reports by the Commonwealth Ombudsman in 2023–24.

## Other management issues

The management activities and services that support the ANAO's audit functions are undertaken in line with government policies and better practice. Reporting against the following issues is provided in Appendix E:

- compliance with the finance law;
- asset management;
- purchasing and procurement;
- consultancy and non-consultancy contracts;
- procurement initiatives to support small business;
- advertising and market research;
- grant programs;
- environmental performance;
- disability reporting;
- work health and safety;
- freedom of information;
- audit fee methodology; and
- service charter.



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## Appendix A — Transparency reporting

The *Corporations Act 2001* includes requirements for annual reporting by auditors. Although the ANAO is not subject to the transparency reporting requirements for private sector audits that are specified in the Corporations Act, the ANAO has embraced the principles of transparency reporting. Table A.1 summarises the requirements that are relevant to the ANAO and shows where the required information is presented in this annual report.

**Table A.1: Transparency reporting**

Prescribed information <sup>a</sup>	Coverage in this annual report
Description of the auditor's legal structure and ownership	The 'Role' section in Part 2 details the legislative framework for the roles of the Auditor-General and the ANAO.
Description of the auditor's governance structure	The 'Governance' section in Part 4 details the corporate governance framework of the ANAO.
Description of the auditor's internal quality control system	The 'Quality' section in Part 4 details the ANAO's internal quality framework and internal audit and quality assurance arrangements.
Statement on the effectiveness of the auditor's internal quality control system in the reporting year	The 'Quality' section in Part 4 reports on the effectiveness of the ANAO's internal quality framework and internal audit and quality assurance arrangements.
The name of each body that is authorised to review the auditor, and the date of the most recent review of the auditor conducted by each body	The 'External scrutiny' section in Part 4 details the bodies that are authorised to review the work of the ANAO and the external review completed during the year.  Table 2.1 in Part 2 describes external reviews of the ANAO's audits by the Joint Committee of Public Accounts and Audit.
The names of the bodies for which the auditor conducted an audit in the reporting year	The entities are listed in Auditor-General Report No.9 2023–24 <a href="#">Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2023</a> .  Information on all audit reports tabled by the Auditor-General in the Parliament during 2023–24 is available on the ANAO website.
Statement about the auditor's independence practices in the reporting year, including the date on which the auditor most recently conducted an internal review of its independence compliance	The 'Probity and independence' section in Part 4 details the ANAO's independence framework for audit professionals.
Statement about the policy that the auditor follows regarding the amount and nature of professional education that members of an audit team must undertake during the reporting year	The 'Development' section in Appendix D details the ANAO's education framework for audit professionals.
Financial information for the auditor for the reporting year	The 'Report on financial performance' section in Part 3 provides an overview of the ANAO's financial results.  The ANAO's audited financial statements for 2023–24 are presented in Part 3.

Prescribed information <sup>a</sup>	Coverage in this annual report
Information on the basis for remuneration of the auditor's senior managers	Note 1 of the financial statements in Part 3 details the ANAO's arrangements for senior executive remuneration.

Note a: Based on the items set out in Schedule 7A of the Corporations Regulations 2001.

## Appendix B — Entity resource statement and expense by outcome

### Entity resource statement

**Table B.1: Entity resource statement 2023–24**

	Current available appropriation for 2023–24 (\$'000)	Payments made 2023–24 (\$'000)	Balance remaining 2023–24 (\$'000)
<b>Ordinary annual services</b>			
Departmental appropriation <sup>a</sup>	129,397	105,486	23,911
<b>Total ordinary annual services</b>	<b>129,397</b>	<b>105,456</b>	<b>23,911</b>
<b>Special appropriations</b>			
Auditor-General remuneration and expense — <i>Auditor-General Act 1997</i> , Schedule 1, sections 3 and 7	778	768	10
<b>Total special appropriations<sup>b</sup></b>	<b>778</b>	<b>768</b>	<b>10</b>
<b>Total departmental resourcing</b>	<b>130,175</b>	<b>106,254</b>	<b>23,921</b>

Note a: Appropriation Act (No.1) 2023–2024, Supply Act (No.1) 2022–2023 and Supply Act (No.3) 2022–2023 prior-year departmental appropriation, and retained revenue receipts under section 74 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

Note b: Special appropriation remaining balance is returned to the Consolidated Revenue Fund at the end of each year.



## Expenses by outcome

**Table B.2: Summary of total expenses for Outcome 1, 2023–24**

	Budget <sup>a</sup>	Actual expenses	Variation
	2023–24	2023–24	2023–24
	(\$'000)	(\$'000)	(\$'000)
Outcome 1: To improve public sector performance and accountability through independent reporting on Australian Government administration to Parliament, the Executive and the public			
<b>Program 1.1: Financial statements audit services</b>			
<b>Departmental expenses</b>			
Departmental appropriation <sup>b</sup>	47,115	46,007	1,008
Section 74 external revenue	2,050	4,737	-2,687
Special appropriation	389	384	5
Expenses not requiring appropriation in the budget year <sup>c</sup>	778	909	-131
<b>Total for Program 1.1</b>	<b>50,332</b>	<b>52,037</b>	<b>-1,705</b>
<b>Program 1.2: Performance audit services</b>			
<b>Departmental expenses</b>			
Departmental appropriation <sup>b</sup>	36,534	36,806	-272
Section 74 external revenue	1,640	3,790	-2,150
Special appropriation	311	307	4
Expenses not requiring appropriation in the budget year <sup>c</sup>	622	727	-105
<b>Total for Program 1.2</b>	<b>39,107</b>	<b>41,630</b>	<b>-2,523</b>
<b>Program 1.3: Performance statements audit services</b>			
<b>Departmental expenses</b>			
Departmental appropriation <sup>b</sup>	7,807	9,201	-1,394
Section 74 external revenue	410	947	-537
Special appropriation	78	77	1
Expenses not requiring appropriation in the budget year <sup>c</sup>	156	182	-26
<b>Total for Program 1.3</b>	<b>8,451</b>	<b>10,407</b>	<b>-1,956</b>
<b>Total for Outcome 1</b>	<b>97,890</b>	<b>104,074</b>	<b>-6,184</b>
		2023–24	2022–23
Average staffing level (number)		413	361

Note a: Full-year budget, including any subsequent adjustment made to the Budget 2023–24.

Note b: Departmental appropriation combines 'Ordinary annual services (Supply Bill (No.1) and Appropriation Act (No.1))' and 'Revenue from independent sources (section 74 of the PGPA Act)'.

Note c: Expenses not requiring appropriation in the budget year are made up of depreciation expenses, amortisation expenses, and principal payments on lease liabilities.

## Appendix C — Workforce information

**Table C.1: Employee coverage under employment instruments in 2023–24**

Instrument	Period of coverage during 2023–24	SES	Non-SES	Total
Section 24 determination under the <i>Public Service Act 1999</i>	1 July 2023 to 28 March 2024	N/A	434	<b>434</b>
ANAO Enterprise Agreement 2024–2027	29 March 2024 to 30 June 2024	N/A	418	<b>418</b>
Common law contract	1 July 2023 to 30 June 2024	31	0	<b>31</b>

Note: The numbers of employees shown in this table are headcounts. The section 24 determination figure is at 28 March 2024. The ANAO Enterprise Agreement and common law contract figures are at 30 June 2024. This table includes ongoing, non-ongoing and casual employees.

**Table C.2: All ongoing employees at 30 June 2024**

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Qld	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	179	6	185	218	25	243	0	0	0	0	0	0	1	0	1	429
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>179</b>	<b>6</b>	<b>185</b>	<b>218</b>	<b>25</b>	<b>243</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>429</b>

Note: Includes all operative and inoperative employees. Inoperative employees are defined as employees who are absent from work for more than 13 weeks.

**Table C.3: All ongoing employees at 30 June 2023**

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Qld	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	156	8	164	177	31	208	2	0	2	0	0	0	0	0	0	374
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>156</b>	<b>8</b>	<b>164</b>	<b>177</b>	<b>31</b>	<b>208</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>374</b>

Note: Includes all operative and inoperative employees. Inoperative employees are defined as employees who are absent from work for more than 13 weeks.

**Table C.4: All non-ongoing employees at 30 June 2024**

	Man/Male			Woman/Female			Non-binary		Prefers not to answer			Uses a different term			Total	
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Full-time	Part-time	Total	Full-time	Part-time	Total		
NSW	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Qld	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	9	1	10	6	1	7	0	0	0	0	0	0	0	0	0	17
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>1</b>	<b>10</b>	<b>6</b>	<b>1</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17</b>

Note: Includes all operative and inoperative employees. Inoperative employees are defined as employees who are absent from work for more than 13 weeks.

**Table C.5: All non-ongoing employees at 30 June 2023**

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Qld	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	9	7	16	12	3	15	0	0	0	0	0	0	0	0	0	31
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>7</b>	<b>16</b>	<b>12</b>	<b>3</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31</b>

Note: Includes all operative and inoperative employees. Inoperative employees are defined as employees who are absent from work for more than 13 weeks.

**Table C.6: Ongoing APS employees at 30 June 2024**

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total ongoing
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
SES 2	2	0	2	1	1	2	0	0	0	0	0	0	0	0	0	4
SES 1	11	0	11	15	0	15	0	0	0	0	0	0	0	0	0	26
EL 2	40	1	41	44	7	51	0	0	0	0	0	0	0	0	0	92
EL 1	37	2	39	48	6	54	0	0	0	0	0	0	1	0	1	94
APS 6	28	1	29	39	7	46	0	0	0	0	0	0	0	0	0	75
APS 5	23	1	24	30	4	34	0	0	0	0	0	0	0	0	0	58
APS 4	19	1	20	22	0	22	0	0	0	0	0	0	0	0	0	42
APS 3	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
APS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	19	0	19	17	0	17	0	0	0	0	0	0	0	0	0	36
<b>Total</b>	<b>179</b>	<b>6</b>	<b>185</b>	<b>218</b>	<b>25</b>	<b>243</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>429</b>

Note: Graduates are captured under the classification 'Other'. Numbers are based on a headcount at 30 June 2024. Includes all operative and inoperative employees. Inoperative employees are defined as employees who are absent from work for more than 13 weeks. Information in this table covers the headcount based on substantive classification of staff and does not include acting arrangements.



**Table C.7: Ongoing APS employees at 30 June 2023**

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total ongoing
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
SES 2	3	0	3	2	0	2	0	0	0	0	0	0	0	0	0	5
SES 1	10	0	10	14	3	17	0	0	0	0	0	0	0	0	0	27
EL 2	35	1	36	38	8	46	1	0	1	0	0	0	0	0	0	83
EL 1	30	4	34	33	7	40	1	0	1	0	0	0	0	0	0	75
APS 6	27	2	29	29	7	36	0	0	0	0	0	0	0	0	0	65
APS 5	19	1	20	28	5	33	0	0	0	0	0	0	0	0	0	53
APS 4	21	0	21	19	1	20	0	0	0	0	0	0	0	0	0	41
APS 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	11	0	11	13	0	13	0	0	0	0	0	0	0	0	0	24
<b>Total</b>	<b>156</b>	<b>8</b>	<b>164</b>	<b>177</b>	<b>31</b>	<b>208</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>374</b>

Note: Graduates are captured under the classification 'Other'. Numbers are based on a headcount at 30 June 2024. Includes all operative and inoperative employees. Inoperative employees are defined as employees who are absent from work for more than 13 weeks. Information in this table covers the headcount based on substantive classification of staff and does not include acting arrangements.





**Table C.10: APS employees, by full-time and part-time status, at 30 June 2024**

	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Total non-ongoing	
SES 3	1	0	1	0	0	0	1
SES 2	3	1	4	0	0	0	4
SES 1	26	0	26	0	0	0	26
EL 2	84	8	92	1	0	1	93
EL 1	86	8	94	4	1	5	99
APS 6	67	8	75	4	0	4	79
APS 5	53	5	58	4	0	4	62
APS 4	41	1	42	1	0	1	43
APS 3	1	0	1	1	1	2	3
APS 2	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0
Other	36	0	36	0	0	0	36
<b>Total</b>	<b>398</b>	<b>31</b>	<b>429</b>	<b>15</b>	<b>2</b>	<b>17</b>	<b>446</b>

Note: Includes all operative and inoperative employees. Inoperative employees are defined as employees who are absent from work for more than 13 weeks. Information in this table covers the headcount based on substantive classification of staff and does not include acting arrangements.

**Table C.11: APS employees, by full-time and part-time status, at 30 June 2023**

	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Total non-ongoing	
SES 3	1	0	1	0	0	0	1
SES 2	5	0	5	0	0	0	5
SES 1	24	3	27	0	0	0	27
EL 2	74	9	83	4	1	5	88
EL 1	64	11	75	0	2	2	77
APS 6	56	9	65	3	0	3	68
APS 5	47	6	53	8	0	8	61
APS 4	40	1	41	3	1	4	45
APS 3	0	0	0	2	0	2	2
APS 2	0	0	0	0	2	2	2
APS 1	0	0	0	1	4	5	5
Other	24	0	24	0	0	0	24
<b>Total</b>	<b>335</b>	<b>39</b>	<b>374</b>	<b>21</b>	<b>10</b>	<b>31</b>	<b>405</b>

Note: Includes all operative and inoperative employees. Inoperative employees are defined as employees who are absent from work for more than 13 weeks. Information in this table covers the headcount based on substantive classification of staff and does not include acting arrangements.

**Table C.12: APS employment type, by location, at 30 June 2024**

	Ongoing	Non-ongoing	Total
NSW	0	0	0
Qld	0	0	0
SA	0	0	0
Tas	0	0	0
Vic	0	0	0
WA	0	0	0
ACT	429	17	446
NT	0	0	0
External territories	0	0	0
Overseas	0	0	0
<b>Total</b>	<b>429</b>	<b>17</b>	<b>446</b>

Note: All ANAO positions are Canberra-based.

**Table C.13: APS employment type, by location, at 30 June 2023**

	Ongoing	Non-ongoing	Total
NSW	0	0	0
Qld	0	0	0
SA	0	0	0
Tas	0	0	0
Vic	0	0	0
WA	0	0	0
ACT	374	31	405
NT	0	0	0
External territories	0	0	0
Overseas	0	0	0
<b>Total</b>	<b>374</b>	<b>31</b>	<b>405</b>

Note: All ANAO positions are Canberra-based.

**Table C.14: Indigenous APS employees, by employment status, at 30 June 2024**

	Total
Ongoing	3
Non-ongoing	0
<b>Total</b>	<b>3</b>

**Table C.15: Indigenous APS employees, by employment status, at 30 June 2023**

	Total
Ongoing	3
Non-ongoing	0
<b>Total</b>	<b>3</b>

## Remuneration

The ANAO's employment framework enables our ongoing investment in workforce capability and remuneration. The ANAO's Enterprise Agreement 2024–2027 came into effect on 29 March 2024 and covers the terms and conditions of employment at the ANAO, other than terms and conditions applying under a relevant Commonwealth law or implied at common law.

The salary ranges for Senior Executive Service (SES) staff are determined by the ANAO's [SES Remuneration, Performance and Development Policy](#). SES remuneration payments are set out under Note 2.3 of the financial statements at Part 3 of this report. Table C.8 shows the salary ranges for the ANAO's SES and non-SES employees at 30 June 2024.

**Table C.16: APS employee salary ranges, by classification level, at 30 June 2024**

Classification	Minimum salary (\$)	Maximum salary (\$)
SES 3	446,160	446,160
SES 2	271,753	317,634
SES 1	193,767	239,626
EL 2	137,682	171,831
EL 1	119,897	135,112
APS 6	97,692	112,284
APS 5	88,180	96,088
APS 4	76,772	84,376
APS 3	70,621	76,374
APS 2	64,871	70,620
APS 1	53,364	64,870
Other	70,621	76,374
<b>Overall range</b>	<b>53,364</b>	<b>446,160</b>

Notes: SES stands for Senior Executive Service; EL stands for Executive Level; APS stands for Australian Public Service.

Graduates are captured in the 'Other' category.

The ANAO’s employment arrangements for SES and non-SES employees do not provide for performance pay. Under the ANAO’s Enterprise Agreement 2024–2027, incremental salary advancements within non-SES classification levels are linked to performance ratings. Table C.17 contains a summary of ratings for the performance cycle ending 31 October 2023.

**Table C.17: Summary of performance ratings for the period ending 31 October 2023**

Classification broadband	Performance rating				Total
	Substantially exceeds expectations	Exceeds expectations	Meeting expectations	Not meeting expectations	
ANAO bands 4 and 5 (EL 1 and EL 2)	17	60	73	0	<b>150</b>
ANAO bands 1 to 3 (APS 1–6)	4	40	98	3	<b>145</b>
<b>Total</b>	<b>21</b>	<b>100</b>	<b>171</b>	<b>3</b>	<b>295</b>
Proportion of total eligible staff	7%	34%	58%	1%	<b>100%</b>

Note: EL stands for Executive Level; APS stands for Australian Public Service.

### Non-salary benefits

The ANAO offers staff a number of non-salary benefits, which include:

- individual development including coaching, tertiary qualifications and training;
- professional development delivered by the ANAO Academy;
- study assistance;
- flexible working arrangements;
- contributions to relevant professional memberships;
- annual influenza immunisation;
- spectacles reimbursement; and
- a free, confidential employee assistance program for employees and their immediate families.

The ANAO provides SES staff and — where there is a business need — some non-SES staff with a tablet computer and/or airline lounge membership. All ANAO staff have laptops and mobile phones, predominantly to provide multifactor authentication for access to ANAO systems. Employees can also make use of a range of salary sacrifice benefits, including additional superannuation and leased motor vehicles.



## Appendix D — Staff engagement and performance strategies

This appendix outlines the ANAO’s strategic approaches to attracting, developing and retaining staff, as well as creating a productive and supportive workplace that fosters employee engagement and motivation.

The ANAO Workforce Plan 2022–2025, comprising 33 initiatives, outlines strategies to foster a high-performing workforce through focused efforts on attraction, development and retention. As at 30 June 2024, we have delivered 17 of the initiatives, with all initiatives on track for implementation before the end of 2025.

### Attraction

In 2023–24, the ANAO continued its efforts to attract highly skilled and qualified individuals to our workforce through the development of a new employee value proposition. Attraction strategies linked to our Workforce Plan 2022–2025 also included sustained efforts in graduate recruitment, with the number of commencing graduates increasing to 40 in 2024.

### Graduate program

The ANAO’s graduate program is open to Australian citizens who have completed any undergraduate degree within the past seven years. During the 12-month program, graduates undertake a targeted development program, consisting of a broad range of learning opportunities to build the technical professional and foundational public sector capabilities needed to commence their ANAO career. Development includes on-the-job training, learning from and working with experienced practitioners, and participation in various formal training workshops and events.

A total of 40 graduates commenced in the ANAO’s 2024 graduate program, an increase from 27 in the previous year (Table D.1). We attracted graduates with a broad range of undergraduate degrees, including accountancy, data science, mathematics, IT and computer science, and social science.

**Table D.1: Number of recruits in 2023 and 2024 graduate programs, by ANAO group**

ANAO group	Total graduates recruited	
	2024 graduate program	2023 graduate program
Performance Audit Services Group	16	15
Financial Statements Audit Services Group	6	8
Performance Statements Audit Services Group	9	2
Corporate Management Group	2	1
Systems Assurance and Data Analytics Group	7	0
Professional Services and Relationships Group <sup>a</sup>	0	1
<b>Total</b>	<b>40</b>	<b>27</b>

Note a: Professional Services and Relationships Group was renamed ‘Professional Services Group’ from 2 January 2024.

## Affirmative measures

During 2023–24, we continued our commitment to a diverse workforce. Our key focus was on strengthening affirmative measures in recruitment, particularly at the graduate level, and through provisions such as RecruitAbility, an APS scheme that aims to attract and develop applicants with disability. We are also focused on building the capabilities of our managers to support and lead a diverse workforce.

## Recruitment

To ensure the ANAO possesses a suitably skilled workforce to deliver our audit and assurance program in a tight labour market, we increased our recruitment in 2023–24. Subsequently, the ANAO conducted recruitment processes for digital, data, finance, human resources, legal and accounting professionals. We enhanced our recruitment and onboarding processes to improve the candidate and new employee experience.

We provided internal mobility opportunities, which are advertised on the ANAO intranet, to allow our staff to develop their capability through temporary and ongoing vacancies within the workplace.

Secondments and temporary transfers from other APS agencies allowed the ANAO to fill roles within the organisation. We also supported our staff to achieve their development and career goals through temporary assignments to other APS agencies and international jurisdictions.

## Development

During 2023–24, we made advances in nurturing talent, fostering a culture of continuous learning, and embracing diversity and inclusion. Through strategic investment in professional development and qualifications, talent and leadership development, and innovative human resource initiatives, we strengthened our capabilities while also enhancing employee engagement and productivity.

## ANAO Academy

The ANAO Academy enables the ANAO workforce to develop the professional skills and knowledge needed to deliver on our purpose and audit outcomes. The academy develops and maintains learning and development strategies, and provides a range of learning and development experiences to build technical and non-technical capability in the ANAO.

The ANAO Academy is a shared responsibility model, with the ANAO Academy Faculty at the centre. Comprising representatives from all ANAO business lines, the ANAO Academy Faculty has improved coordination of learning and development across the ANAO.

In 2023–24, ANAO Academy achievements included:

- more than 160 learning activities made available to ANAO staff, including new online learning modules, and face-to-face training workshops and presentations;
- monthly ANAO induction workshops;
- a 12-month graduate development program, including the two-week graduate orientation;
- the annual week-long learning festival, LearnFest, with 2,751 registrations for 32 events;
- an ANAO talent development program for high-performing, high-potential future and emerging leaders;

- a 360-degree feedback and leadership coaching program for our executive-level cohort; and
- an enhanced learning management system for improved access and user experience.

## Talent retention

The ANAO is committed to retaining a highly engaged workforce, supporting the health and wellbeing of our staff, and recognising the contributions of individuals and teams in the achievement of our corporate objectives.

## Staff engagement

Our workforce continues to be committed to the goals, purpose and objectives of the ANAO. In the 2023 APS Employee Census, the ANAO achieved an 89 per cent response rate, nine percentage points higher than the APS average. The ANAO recorded positive census results for communication and leadership of SES managers and immediate supervisors.

In response to staff feedback, the ANAO implemented a [Census Action Plan 2023–24](#), focusing on improving employee wellbeing policies and support. Actions included the introduction of the ‘wellbeing calendar’ focusing on a different wellbeing theme each month, and the provision of in-house workshops — delivered by our employee assistance provider — on priority areas such as reducing burnout, managing stress and building resilience. The Census Action Plan also addressed innovation through the development and implementation of a strategy to identify and enhance opportunities for improving our processes.

In November 2023, we held our annual week-long learning festival, LearnFest, which focused on staff engagement, culture and capability building. LearnFest featured a keynote opening address by the President of the Senate, Senator the Honourable Sue Lines. Other notable speakers included Dr Alex Antic, an expert in strategic data science and artificial intelligence from the Australian National University; Dr Ben Gauntlett, Deputy Commissioner, National Anti-Corruption Commission; and Professor Anne Twomey from the University of Sydney Law School, who presented on constitutional law and ethical considerations for auditors. In total, 32 presentations were delivered on various topics, including integrity, wellbeing, leadership, and data analytics.

## Reward and recognition

The ANAO reward program recognises the contributions of individuals and teams through the annual Australia Day and Auditor-General’s awards. The awards acknowledge those whose behaviours and contributions align with the ANAO values of integrity, excellence and respect, and assist the ANAO to achieve our objectives.

The Auditor-General’s awards, presented in July 2023, recognised 10 individuals and three teams. In January 2024, six individuals and one team received Australia Day awards. Award recipients during the year were recognised for a range of achievements, including outstanding examples of trusted expertise, commitment to assisting staff and colleagues, and innovation.

## Health and wellbeing

Throughout the year, we strengthened our efforts to protect and enhance staff wellbeing by providing onsite appointments through our Employee Assistance Program, conducting annual health

checks, administering flu vaccinations, undertaking workstation assessments, and offering subsidised eyesight testing and spectacles.

### **Flexible work**

The ANAO supports our people to work in flexible ways, enabling staff to work safely and effectively in the office, from home and in APS entities with the support of contemporary equipment, technology, platforms, capability development, and workspaces.

### **Human resources business partnering model**

In 2023–24, we embedded our human resources business partnering model by implementing monthly and quarterly workforce meetings with business lines to identify critical resources that are unique to the ANAO or difficult to replace. We also commenced work to establish succession plans. This model utilises critical workforce data to support decision-making and early intervention strategies.

## Appendix E — Other management issues

### Compliance with finance law

In 2023–24, the ANAO had no significant issues under paragraph 19(1)(e) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) relating to noncompliance with the finance law.

### Asset management

The ANAO's asset management policy is set out in the Auditor-General Instructions and supporting financial management procedures. High-value assets are subject to whole-of-life management, including formal tendering for acquisition, scheduled maintenance, and detailed accounting of disposal or return at the end of the useful life of the asset. The ANAO's asset management practices are designed to protect the interests of the Australian Government.

### Purchasing and procurement

The ANAO's approach to procuring goods and services is consistent with, and reflects the principles of, the Commonwealth Procurement Rules — in particular, the core rule of competition contributing to demonstrating value for money. These rules are applied to activities through the Auditor-General Instructions and supporting financial management procedures and guidelines.

The ANAO's procurement plan is published annually and is available on the AusTender website, [tenders.gov.au](https://tenders.gov.au). The plan is updated when circumstances change.

The ANAO's tender evaluation processes are designed to be fair and equitable and to enable potential suppliers to compete for ANAO business. Before proceeding to a substantive evaluation, the ANAO undertakes a check against all mandatory requirements that are listed in the tender documentation.

All tenders and contractual arrangements undertaken in 2023–24 were carried out in accordance with the Commonwealth Procurement Rules.

No contracts in excess of \$10,000 (including GST) or standing offers were exempted by the Auditor-General from being published on AusTender on the basis that they would disclose exempt matters under the *Freedom of Information Act 1982*.

### Reportable consultancy contracts

During 2023–24, six new reportable consultancy contracts were entered into, involving total actual expenditure of \$0.225 million. In addition, 16 ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$1.084 million (Table E.1).

**Table E.1: Reportable consultancy contracts, 2023–24**

Category	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	6	225
Ongoing contracts entered into during a previous reporting period	16	1,084
<b>Total</b>	<b>22</b>	<b>1,309</b>

Table E.2 shows the organisations that received the five largest shares of the ANAO's total expenditure of \$1.309 million on reportable consultancy contracts during 2023–24.

**Table E.2: Organisations receiving largest shares of reportable consultancy contract expenditure, 2023–24**

Organisation	Organisation ABN	Expenditure \$'000 (GST inc.)
KPMG	51 194 660 183	414
Deloitte Touche Tohmatsu	74 490 121 060	265
ORIMA Research	77 076 347 914	128
Synergy Group Australia Pty Ltd	65 119 369 827	116
Acumentis Pty Ltd	30 109 670 671	77

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.

The ANAO engages consultants as required to undertake a variety of tasks. The most common uses of contracted consultants include the application of expert professional skills to:

- investigate or diagnose a defined issue or problem;
- provide independent advice, information or creative solutions; and
- provide specialised services, including assistance with actuarial calculations, probity services and legal advice.

The major competitive tendering and contracting activities in 2023–24 were to obtain professional skills to assist with certain financial statements audits and performance audits.

The decision to engage a consultant is made in accordance with the PGPA Act and related rules, including the Commonwealth Procurement Rules, and relevant internal policies.

### Reportable non-consultancy contracts

During 2023–24, 76 new reportable non-consultancy contracts were entered into, involving total actual expenditure of \$8.256 million. In addition, 189 ongoing reportable non-consultancy contracts were active during the period, involving total actual expenditure of \$29.531 million (Table E.3).

**Table E.3: Reportable non-consultancy contracts, 2023–24**

Category	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	76	8,256
Ongoing contracts entered into during a previous reporting period	186	29,531
<b>Total</b>	<b>265</b>	<b>37,787</b>

Table E.4 shows the organisations that received the five largest shares of the ANAO's total expenditure of \$37.787 million on reportable non-consultancy contracts during 2023–24.

**Table E.4: Organisations receiving largest shares of reportable non-consultancy contract expenditure, 2023–24**

Organisation	Organisation ABN	Expenditure \$'000 (GST inc.)
Ernst and Young	75 288 172 749	4,443
Price Waterhouse Coopers	52 780 433 757	4,104
Evolve FM Pty Ltd	52 605 472 580	3,568
NRI Australia Limited	57 070 045 117	3,335
Deloitte Touche Tohmatsu	74 490 121 060	3,246

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.

The major competitive non-consultancy tendering and contracting activities in 2023–24 were to contract out a number of financial statements audits and performance audits, as well as to contract in staff to assist the ANAO in delivering financial statements audits and performance audits. The ANAO's IT services are managed by a third-party provider.

The decision to engage a supplier to assist the ANAO in the delivery of its mandate is made in accordance with the PGPA Act and related rules, including the Commonwealth Procurement Rules, and relevant internal policies.

### Procurement initiatives to support small business

The ANAO supports small business participation in the Commonwealth Government procurement market. Small and medium-sized enterprise (SME) and small enterprise participation statistics are available on the Department of Finance's website, [finance.gov.au](https://finance.gov.au).

The ANAO's procurement practices support SMEs through use of the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000. Practices also support the use of electronic systems or other processes to facilitate on-time payment, including the use of payment cards.

The ANAO recognises the importance of ensuring that small businesses are paid on time. The results of the survey of Australian Government payments to small business are available on the Treasury's website, [treasury.gov.au](https://treasury.gov.au).

## Advertising and market research

Under section 311A of the *Commonwealth Electoral Act 1918*, we are required to disclose payments of \$16,300 or more (inclusive of GST) to advertising agencies, market research organisations, polling organisations, media advertising organisations and direct mail organisations.

During 2023–24, the ANAO conducted non-campaign advertising for graduate recruitment amounting to \$90,577 (inclusive of GST). The ANAO did not make any payments to direct mail organisations or polling organisations and did not make any payments of \$16,300 or more (inclusive of GST) to media advertising organisations.

During 2023–24 the ANAO did not conduct any advertising campaigns.

Payments over \$16,300 (including GST) to market research organisations, incurred in the course of client surveys on performance, are set out in Table E.5.

**Table E.5: Payments made to market research organisations, 2023–24**

Organisation	Purpose	Payment \$ (incl. GST)
ORIMA Research	Client survey	83,486

## Grant programs

The ANAO does not administer any grant programs.

## Audit fee methodology

For some financial statements audits, Commonwealth bodies are liable to pay fees. Subsection 14(1) of the *Auditor-General Act 1997* provides for the Auditor-General to determine a scale of audit fees. The fees paid by Commonwealth corporate entities and companies for financial statements audits are returned to the Official Public Account and are not available to the ANAO unless they relate to additional services.

Paragraph 8(1)(k) of the *Public Accounts and Audit Committee Act 1951* requires the Joint Committee of Public Accounts and Audit to consider the level of fees determined by the Auditor-General under subsection 14(1) of the *Auditor-General Act 1997*. Information relating to the methodology utilised to determine the ANAO's level of fees is outlined below.

Charge-out rates are used to determine the notional or actual audit fee in respect of financial statements audits and to report the cost of performance audits and performance statements audits. The audit fees for financial statements audits of non-corporate Commonwealth entities are notionally calculated for information purposes and inclusion in the notes of the entities' financial statements. Other entities — mainly Commonwealth statutory authorities and companies — are required to pay audit fees.

Consistent with government policy, the ANAO aims to establish charge-out rates at a level sufficient to recover the costs of its activities over time. An hourly charge-out rate is determined for each staff classification. The establishment of charge-out rates is guided by a costing model that considers all relevant costs, including the attribution of overhead costs, and is designed to achieve full notional cost recovery of the ANAO operating budget. When determining the basis for allocating overhead



costs, the ANAO takes into account the nature of the expenditure and calculates the charge-out rate using an accrual-based costing model.

Using the methodology outlined, the average hourly charge-out rate for the ANAO in 2023–24 was \$240.62, ranging from \$154.26 per hour for a junior auditor through to \$476.47 for a senior executive.

## Environmental performance

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) requires that Australian Government entities include a section detailing their environmental performance and contribution to ecologically sustainable development in their annual report.

The EPBC Act requires Commonwealth agencies to report against two core criteria:

- how the agency accords with and contributes to the principles of ecologically sustainable development; and
- the environmental performance of the agency, including the impact of its activities on the natural environment, how these are mitigated and how they will be further mitigated.

### Contribution to ecologically sustainable development

The ANAO contributes to ecologically sustainable development by actively taking steps to reduce our environmental impact and adopting environmentally friendly options where practical.

In 2023–24, the ANAO continued to improve its environmental performance and mitigate the effects of our impact on the environment through:

- the introduction of organic waste bins;
- procuring energy-efficient equipment and lighting solutions;
- using recycled copy paper;
- energy-efficient power management settings on office equipment, including motion sensor lighting;
- videoconferencing to reduce the need for local, interstate and international travel;
- recycling of paper, cardboard, office furniture, batteries and printer cartridges; and
- fostering employee awareness of environmental issues, including reconsidering the need to print documents in line with ‘paper-lite’ principles.

The integration of energy-efficiency practices into our organisation and planning processes allows us to reduce our energy costs and decrease the consumption of resources.

### Effect of activities on the environment

The ANAO monitors its energy and waste management as core indicators of the effect of its activities on the environment. We will continue to improve our collection and monitoring of data on energy use, water consumption and waste management in our office building.

## APS Net Zero Emissions by 2030

The Australian Public Service (APS) Net Zero Emissions by 2030 target is a government initiative to reduce APS greenhouse gas emissions to net zero by the year 2030, as part of the Net Zero in Government Operations Strategy. The ANAO has demonstrated a firm commitment to achieving this target within the stipulated timeline. To instil accountability and foster transparency, Australian Government entities are required to report on their emissions in their annual reports. Entities included their inaugural reports in their 2022–23 annual reports.

The initial baseline reporting in 2022–23 primarily concentrated on:

- emissions from entities’ facilities and vehicles, including natural gas and other energy such as diesel fuel (Scope 1);
- emissions from purchased electricity (Scope 2); and
- emissions associated with domestic air travel and the extraction, production, transportation and distribution losses of fuels and electricity (Scope 3).

For 2023–24, reporting has expanded to include refrigerants (Scope 1), waste disposal and treatment (Scope 2), and employee domestic business travel (non-air) and accommodation (Scope 3).

Table E.6 details the ANAO’s recorded greenhouse gas emissions for 2023–24 using the location-based method. This method takes into account the intensity of emissions from electricity generation in the state or territory where an entity operates. Table E.7 provides further information on electricity greenhouse gas emissions for 2023–24.

**Table E.6: Greenhouse gas emissions inventory (location-based method), 2023–24**

Emission Source	Scope 1 t CO <sub>2</sub> -e	Scope 2 t CO <sub>2</sub> -e	Scope 3 t CO <sub>2</sub> -e	Total t CO <sub>2</sub> -e
Electricity (Location Based Approach)	N/A	127.085	10.140	137.225
Natural Gas	0.000	N/A	0.000	0.000
Solid Waste <sup>a</sup>	N/A	N/A	10.452	10.452
Refrigerants <sup>a b</sup>	0.000	N/A	N/A	0.000
Fleet and Other Vehicles	0.000	N/A	0.000	0.000
Domestic Commercial Flights	N/A	N/A	88.600	88.600
Domestic Hire Car <sup>a</sup>	N/A	N/A	2.279	2.279
Domestic Travel Accommodation <sup>a</sup>	N/A	N/A	126.076	126.076
Other Energy	0.000	N/A	0.000	0.000
<b>Total t CO<sub>2</sub>-e</b>	<b>0.000</b>	<b>127.085</b>	<b>237.546</b>	<b>364.631</b>

Note a: Emission sources were collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.

Note b: Optional emission source for 2023–24 emissions reporting.

Note: The table above presents emissions related to electricity usage using the location-based accounting method. CO<sub>2</sub>-e = Carbon Dioxide Equivalent.

**Table E.7: Electricity greenhouse gas emissions, 2023–24**

Emission Source	Scope 2 t CO <sub>2</sub> -e	Scope 3 t CO <sub>2</sub> -e	Total t CO <sub>2</sub> -e	Percentage of electricity use
Electricity (Location Based Approach)	127.085	10.140	137.225	100%
Market-based electricity emissions	10.875	1.343	12.217	7%
Total renewable electricity	–	–	–	93%
Mandatory renewables <sup>a</sup>	–	–	–	19%
Voluntary renewables <sup>b</sup>	–	–	–	74%

Note a: Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.

Note b: Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

Note: The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO<sub>2</sub>-e = Carbon Dioxide Equivalent.

During 2023–24, the ANAO was responsible for recorded carbon emissions amounting to 364,653 kilograms of CO<sub>2</sub> equivalent using the location-based method. Scope 2 emissions represented approximately 35 per cent of recorded emissions across our operations. Scope 3 emissions made a comparatively smaller contribution, representing 65 per cent of the total emissions.

Emissions from hire cars for 2023–24 have been sourced from a third party and may be incomplete due to a lack of robust data. The quality of data is expected to improve over time as emissions reporting matures as we are only including data from Hertz Rent-A-Car in 2023–24.

To address the Scope 2 emissions, strategic purchasing from renewable energy sources or the acquisition of certified GreenPower offer viable solutions to lower the overall carbon footprint of the ANAO's operations. These eco-friendly alternatives present a sustainable pathway to reduce our carbon emissions originating from electricity consumption.

Adopting alternative modes of travel or leveraging technology for virtual meetings could significantly curb the ANAO's Scope 3 emissions associated with air travel. Further, with offset purchasing now available as an option when booking flights, this approach could serve as an effective strategy to offset any residual emissions related to air travel.

With these combined strategies, the ANAO has the potential to significantly decrease its environmental impact and steer towards a more sustainable and greener business model.

### Sustainability of the ANAO's tenancy building

The ANAO has a Green Lease Schedule, which includes the obligation to undertake an annual tenancy rating under the National Australian Built Environment Rating System (NABERS). In July 2024, the ANAO's tenancy at 38 Sydney Avenue in Canberra was rated against the NABERS indicators and achieved a 6-star rating, which demonstrates excellent performance against NABERS benchmarks and exceeds policy requirements. The tenancy is currently undergoing a renewal of the NABERS rating and is expected to achieve a similar energy efficiency performance.

## Waste

The ANAO segregates waste to ensure suitable items are recycled and to minimise landfill. Organic waste bins were introduced in February 2022. From 1 July 2022, the ANAO has received monthly reporting from waste vendors to support better understanding of consumption, identify areas for improvement, and support reduction of the total amount of waste sent to landfill. In FY 2023–24, ANAO generated 6.53 tonnes of general waste, marking a 19% increase compared to the previous financial year. Of this, nearly two tonnes were recycled, excluding office paper, which was 100% recycled. Combined, the recycling of waste and office paper accounted for approximately 35% of the total tenancy waste being diverted from landfill. Additionally, the tenancy contributed 0.2 tonnes of organic waste, which was biologically treated to prevent it from ending up in landfill. Approximately 73 per cent of total waste generated by the ANAO in 2023–24 was sent to landfill, and 27 per cent was recycled.

## Disability reporting

Australia's Disability Strategy 2021–2031 is the overarching framework for inclusive policies, programs and infrastructure. Its goal is to support people with disability to take part in all aspects of Australian life. The strategy outlines practical changes that will be made to improve the lives of people with disability in Australia. It ensures that Australia's policies and programs affecting people with disability, their families and carers align with the principles of the UN Convention on the Rights of Persons with Disabilities. All levels of government have committed to deliver more comprehensive and transparent reporting under the strategy. Progress reports on the strategy's action plans and outcomes are available at [disabilitygateway.gov.au/ads](https://disabilitygateway.gov.au/ads).

In December 2020, the Australian Government released the Australian Public Service Disability Employment Strategy 2020–2025, with the goal of increasing the employment of people with disability across the Australian Public Service to 7 per cent by 2025. Disability reporting is included in the Australian Public Service Commission's State of the Service reports and the *APS Statistical Bulletin*. These reports are available at [apsc.gov.au](https://apsc.gov.au).

## Work health and safety

Under section 38 of the *Work Health and Safety Act 2011*, the ANAO is required to notify Comcare of any incidents arising out of the conduct of the ANAO's operations that result in death, serious injury or serious illness of a person, or involve a dangerous incident. One incident was reported in 2023–24.

## Freedom of information

The *Freedom of Information Act 1982* (FOI Act) provides the Auditor-General with an exemption from the provisions of the Act, and in 2015 the Australian Information Commissioner determined that the Auditor-General's exemption extends to the ANAO. As a result, the ANAO is exempt from the requirement in Part II of FOI Act to publish an Information Publication Scheme plan on its website.

Performance audit reports, financial statements audit reports and audit opinions are tabled in the Parliament and/or published on the ANAO's website. Requests for audit from members of parliament are published on the ANAO's website.

Other corporate information is also published on the ANAO's website, including:

- the Auditor-General's expenses in the form of official credit card transactions;

- details of parliamentary briefings provided on request to parliamentarians and parliamentary committees;
- the ANAO Audit Manual;
- external audits and reviews;
- the Australian Securities and Investments Commission’s audit inspection reports on the ANAO;
- the SES Remuneration, Performance and Development Policy;
- gifts and benefits offered (whether accepted or declined);
- guidance on procurement complaints;
- the ANAO Workforce Plan 2022–2025;
- the Quality Management Framework and Plan 2024–25;
- the ANAO Integrity Framework and Report 2022–23;
- the ANAO Risk Management Framework; and
- the ANAO Fraud and Corruption Strategy 2024–26.

### Service charter

As the ANAO does not provide services directly to members of the public, it does not have a service charter. However, the ANAO recognises that it provides a service to the community through the delivery of a range of audit services, and welcomes feedback.

Comments and suggestions can be made via the ANAO website, [anao.gov.au](https://www.anao.gov.au), or by phoning (02) 6203 7300. Members of the public are also invited to make contributions to specific audits, with each audit having a facility for contributions to be received while the audit is in progress.

## Abbreviations and acronyms

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ACAG	Australasian Council of Auditors-General
AGD	Attorney-General's Department
ANAO	Australian National Audit Office
APES	accounting professional and ethical standard
APS	Australian Public Service
ASIC	Australian Securities and Investments Commission
ASOSAI	Asian Organization of Supreme Audit Institutions
ASQM	Australian standard on quality management
BPK	Badan Pemeriksa Keuangan [Republik Indonesia] (Audit Board of the Republic of Indonesia)
CA ANZ	Chartered Accountants Australia and New Zealand
CFO	chief financial officer
CPA	certified practising accountant
DAFF	Department of Agriculture, Fisheries and Forestry
DISR	Department of Industry, Science and Resources
DITRDCA	Department of Infrastructure, Transport, Regional Development, Communications and the Arts
DSS	Department of Social Services
DVA	Department of Veterans' Affairs
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
FIPP	Forum for INTOSAI Professional Pronouncements
FOI Act	<i>Freedom of Information Act 1982</i>
FSASG	Financial Statements Audit Services Group
GST	goods and services tax
ICT	information and communications technology
INTOSAI	International Organization of Supreme Audit Institutions
ISO	International Organization for Standardization
JCPAA	Joint Committee of Public Accounts and Audit
NABERS	National Australian Built Environment Rating System
PASAI	Pacific Association of Supreme Audit Institutions
PASG	Performance Audit Services Group
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
PNG AGO	Papua New Guinea Auditor-General's Office
Prospera	Australia–Indonesia Partnership for Economic Development
SAI	supreme audit institution
SES	Senior Executive Service
SME	small and medium-sized enterprise
WHS	work health and safety

## List of requirements

PGPA Rule reference	Part of report	Description	Requirement
17AD(g)	Letter of transmittal		
17AI	Letter of transmittal p. iii	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the PGPA Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory
17AD(h)	Aids to access		
17AJ(a)	Contents p. v	Table of contents (print and PDF only)	Mandatory
17AJ(b)	Index p. 145	Alphabetical index (print and PDF only)	Mandatory
17AJ(c)	Abbreviations and acronyms pp. 136	Abbreviations and acronyms	Mandatory
17AJ(d)	List of requirements pp. 137–144	List of requirements	Mandatory
17AJ(e)	About this report p. iv	Details of contact officer	Mandatory
17AJ(f)	About this report p. iv	Entity's website address	Mandatory
17AJ(g)	About this report p. iv	Electronic address of report	Mandatory
17AD(a)	Review by accountable authority		
17AD(a)	Part 1 — Review by the acting Auditor-General pp. 1–9	A review by the accountable authority of the entity	Mandatory
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	About the ANAO (in Part 2) pp. 10–12	A description of the role and functions of the entity	Mandatory
17AE(1)(a)(ii)	Organisational structure (in Part 2) p. 11–12	A description of the organisational structure of the entity	Mandatory
17AE(1)(a)(iii)	Role (in Part 2) pp. 10–11	A description of the outcomes and programs administered by the entity	Mandatory
17AE(1)(a)(iv)	Purpose (in Part 2) p. 10	A description of the purposes of the entity as included in corporate plan	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AE(1)(aa)(i)	Accountable authority (in Part 4) p. 85	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	Accountable authority (in Part 4) p. 85	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	Accountable authority (in Part 4) p. 85	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory
17AE(1)(b)	N/A	An outline of the structure of the portfolio of the entity	Portfolio departments — mandatory
17AE(2)	N/A	Where the outcomes and programs administered by the entity differ from any portfolio budget statements, portfolio additional estimates statements or other portfolio estimates statements that were prepared for the entity for the period, include details of variation and reasons for change	If applicable, mandatory
17AD(c)	Report on the performance of the entity		
	Annual performance statements		
17AD(c)(i); 16F	Annual performance statements (in Part 3) pp. 24–49	Annual performance statements in accordance with paragraph 39(1)(b) of the PGPA Act and section 16F of the PGPA Rule	Mandatory
17AD(c)(ii)	Report on financial performance		
17AF(1)(a)	Report on financial performance (in Part 3) pp. 50–84	A discussion and analysis of the entity's financial performance	Mandatory
17AF(1)(b)	Appendix B — Entity resource statement and expenses by outcome pp. 108–109	A table summarising the total resources and total payments of the entity	Mandatory



PGPA Rule reference	Part of report	Description	Requirement
17AF(2)	N/A	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, mandatory
17AD(d)	Management and accountability		
	Corporate governance		
17AG(2)(a)	Fraud and corruption control and prevention (in Part 4) p. 101	Information on compliance with section 10 of the PGPA Rule (fraud systems)	Mandatory
17AG(2)(b)(i)	Letter of transmittal p. iii	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory
17AG(2)(b)(ii)	Letter of transmittal p. iii	A certification by accountable authority that appropriate mechanisms are in place for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity	Mandatory
17AG(2)(b)(iii)	Letter of transmittal p. iii	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory
17AG(2)(c)	Governance structure (in Part 4) pp. 85–90	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory
17AG(2)(d) – (e)	Compliance with finance law (in Appendix E) p. 127	A statement of significant issues reported to minister under paragraph 19(1)(e) of the PGPA Act that relates to noncompliance with finance law and action taken to remedy noncompliance	If applicable, mandatory
	Audit committee		
17AG(2A)(a)	Audit Committee (in Part 4) p. 89	A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory
17AG(2A)(b)	Audit Committee (in Part 4) p. 89–90	The name of each member of the entity's audit committee	Mandatory
17AG(2A)(c)	Audit Committee (in Part 4) p. 89–90	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AG(2A)(d)	Audit Committee (in Part 4) p. 89–90	Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory
17AG(2A)(e)	Audit Committee (in Part 4) p. 89–90	The remuneration of each member of the entity's audit committee	Mandatory
External scrutiny			
17AG(3)	External scrutiny (in Part 4) p. 102–103	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory
17AG(3)(a)	N/A	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, mandatory
17AG(3)(b)	N/A	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the PGPA Act), a parliamentary committee, or the Commonwealth Ombudsman	If applicable, mandatory
17AG(3)(c)	N/A	Information on any capability reviews on the entity that were released during the period	If applicable, mandatory
Management of human resources			
17AG(4)(a)	Organisational capability (in Part 4) pp. 92–98	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory
17AG(4)(aa)	Appendix C — Workforce information pp. 110–114	Statistics on the entity's employees on an ongoing and non-ongoing basis, including statistics on: (a) full-time employees; (b) part-time employees; (c) gender; and (d) staff location.	Mandatory
17AG(4)(b)	Appendix C — Workforce information pp. 115–120	Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including statistics on: <ul style="list-style-type: none"> <li>• staffing classification level;</li> <li>• full-time employees;</li> <li>• part-time employees;</li> <li>• gender;</li> <li>• staff location; and</li> <li>• employees who identify as Indigenous</li> </ul>	Mandatory
17AG(4)(c)	Appendix C — Workforce information p. 121–122	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AG(4)(c)(i)	Appendix C — Workforce information p. 110	Information on the number of SES and non-SES employees covered by agreements, etc. identified in paragraph 17AG(4)(c)	Mandatory
17AG(4)(c)(ii)	Remuneration (in Appendix C) p. 121	The salary ranges available for APS employees by classification level	Mandatory
17AG(4)(c)(iii)	Non-salary benefits (in Appendix C) p. 122	A description of non-salary benefits provided to employees	Mandatory
17AG(4)(d)(i)	Remuneration (in Appendix C) p. 122	Information on the number of employees at each classification level who received performance pay	If applicable, mandatory
17AG(4)(d)(ii)	Remuneration (in Appendix C) p. 122	Information on aggregate amounts of performance pay at each classification level	If applicable, mandatory
17AG(4)(d)(iii)	Remuneration (in Appendix C) p. 122	Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, mandatory
17AG(4)(d)(iv)	Remuneration (in Appendix C) p. 122	Information on aggregate amount of performance payments	If applicable, mandatory
<b>Asset management</b>			
17AG(5)	Asset management (in Appendix E) p. 127	An assessment of effectiveness of asset management where asset management is a significant part of the entity's activities	If applicable, mandatory
<b>Purchasing</b>			
17AG(6)	Purchasing and procurement (in Appendix E) p. 127–129	An assessment of entity performance against the Commonwealth Procurement Rules	Mandatory
<b>Reportable consultancy contracts</b>			
17AG(7)(a)	Reportable consultancy contracts (in Appendix E) p. 127–128	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AG(7)(b)	Reportable consultancy contracts (in Appendix E) p. 127	A statement that 'During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].'	Mandatory
17AG(7)(c)	Reportable consultancy contracts (in Appendix E) p. 128	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory
17AG(7)(d)	Reportable consultancy contracts (in Appendix E) p. 128	A statement that 'Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.'	Mandatory
Reportable non-consultancy contracts			
17AG(7A)(a)	Reportable non-consultancy contracts (in Appendix E) p. 128–129	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory
17AG(7A)(b)	Reportable non-consultancy contracts (in Appendix E) p. 129	A statement that 'Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.'	Mandatory
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts		
17AGA	Purchasing and procurement (in Appendix E) p. 127–129	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	Mandatory
Australian National Audit Office access clauses			
17AG(8)	N/A	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	If applicable, mandatory

PGPA Rule reference	Part of report	Description	Requirement
	Exempt contracts		
17AG(9)	N/A	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	If applicable, mandatory
	Small business		
17AG(10)(a)	Procurement initiatives to support small business (in Appendix E) p. 129	A statement that '[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and medium-sized enterprise (SME) and small enterprise participation statistics are available on the Department of Finance's website.'	Mandatory
17AG(10)(b)	Procurement initiatives to support small business (in Appendix E) p. 129	An outline of the ways in which the procurement practices of the entity support small and medium-sized enterprises	Mandatory
17AG(10)(c)	Procurement initiatives to support small business (in Appendix E) p. 129	If the entity is considered by the Department administered by the Finance Minister as material in nature — a statement that '[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website.'	If applicable, mandatory
	Financial statements		
17AD(e)	Financial statements (in Part 3) pp. 53–84	Inclusion of the annual financial statements in accordance with subsection 43(4) of the PGPA Act	Mandatory
	Executive remuneration		
17AD(da)	Note 1 of the financial statements (in Part 3) pp. 65–74	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2–3 of the PGPA Rule	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AD(f)	Other mandatory information		
17AH(1)(a)(i)	Advertising and market research (in Appendix E) p. 130	If the entity conducted advertising campaigns, a statement that 'During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website.'	If applicable, mandatory
17AH(1)(a)(ii)	Advertising and market research (in Appendix E) p. 130	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, mandatory
17AH(1)(b)	N/A	A statement that 'Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website].'	If applicable, mandatory
17AH(1)(c)	Disability reporting (in Appendix E) p. 134	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory
17AH(1)(d)	Freedom of information (in Appendix E) p. 134–135	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory
17AH(1)(e)	N/A	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)	Transparency reporting (in Appendix A) pp. 106–107 Environmental performance (in Appendix E) pp. 131–134 Work health and safety (in Appendix E) p. 134	Information required by other legislation	Mandatory

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