



Welcome

Chief Financial Officer Forum

Hosted by the Australian National Audit Office

26 November 2021



ANAO Update

Jane Meade
Group Executive Director
Professional Services and Relationships Group



End of Year Financial Statements Report

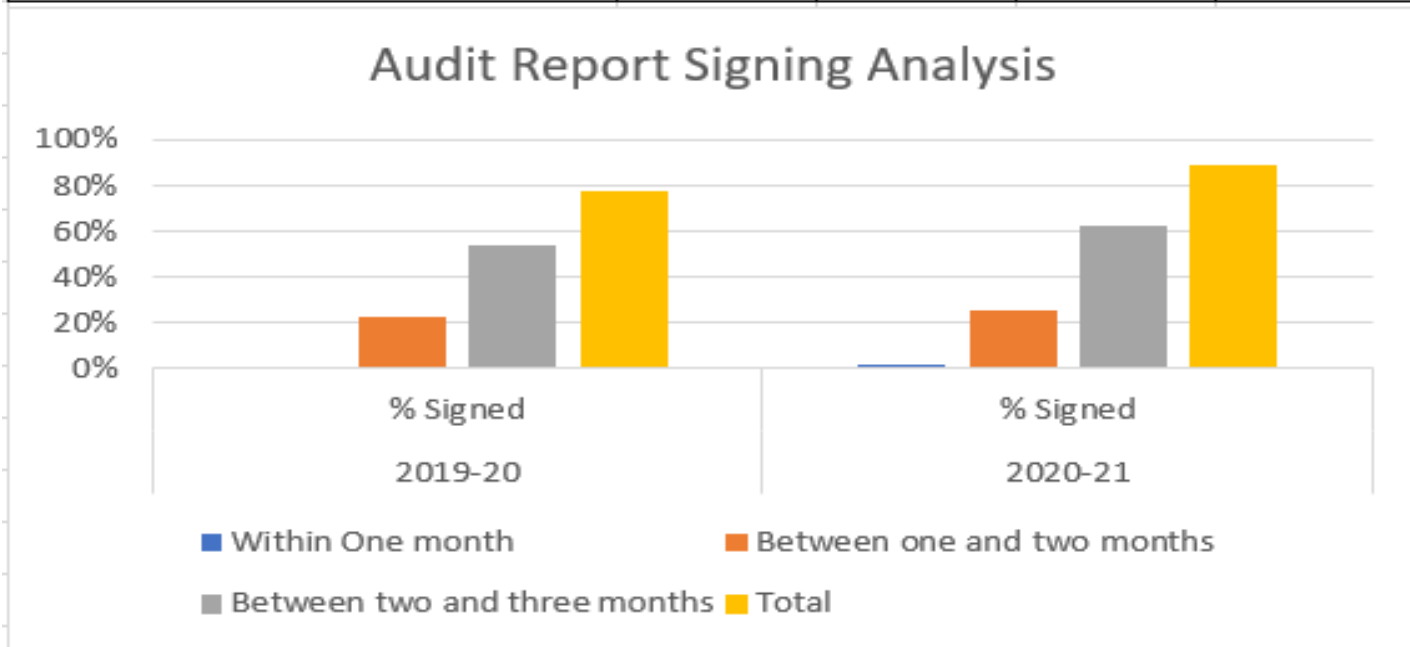
Bola Oyetunji
Group Executive Director
Assurance Audit Services Group



2020-21 Financial Statements Auditor's Reports Issued



Timeframe	2019-20		2020-21	
	% Signed	Signed	% Signed	Signed
Within One month	1%	2	2%	5
Between one and two months	23%	56	25%	60
Between two and three months	54%	133	62%	151
Total	78%	191	89%	216





2020-21 Financial Statements audit outcomes



Concluded for the majority of entities that:

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

Additional analysis on:

- Audit Findings
 - Legislative breaches
 - Quality and Timeliness of Financial Statement preparation
 - Tabling of Annual reports
 - IT Controls and Cyber Security
 - Financial Sustainability



Audit Findings



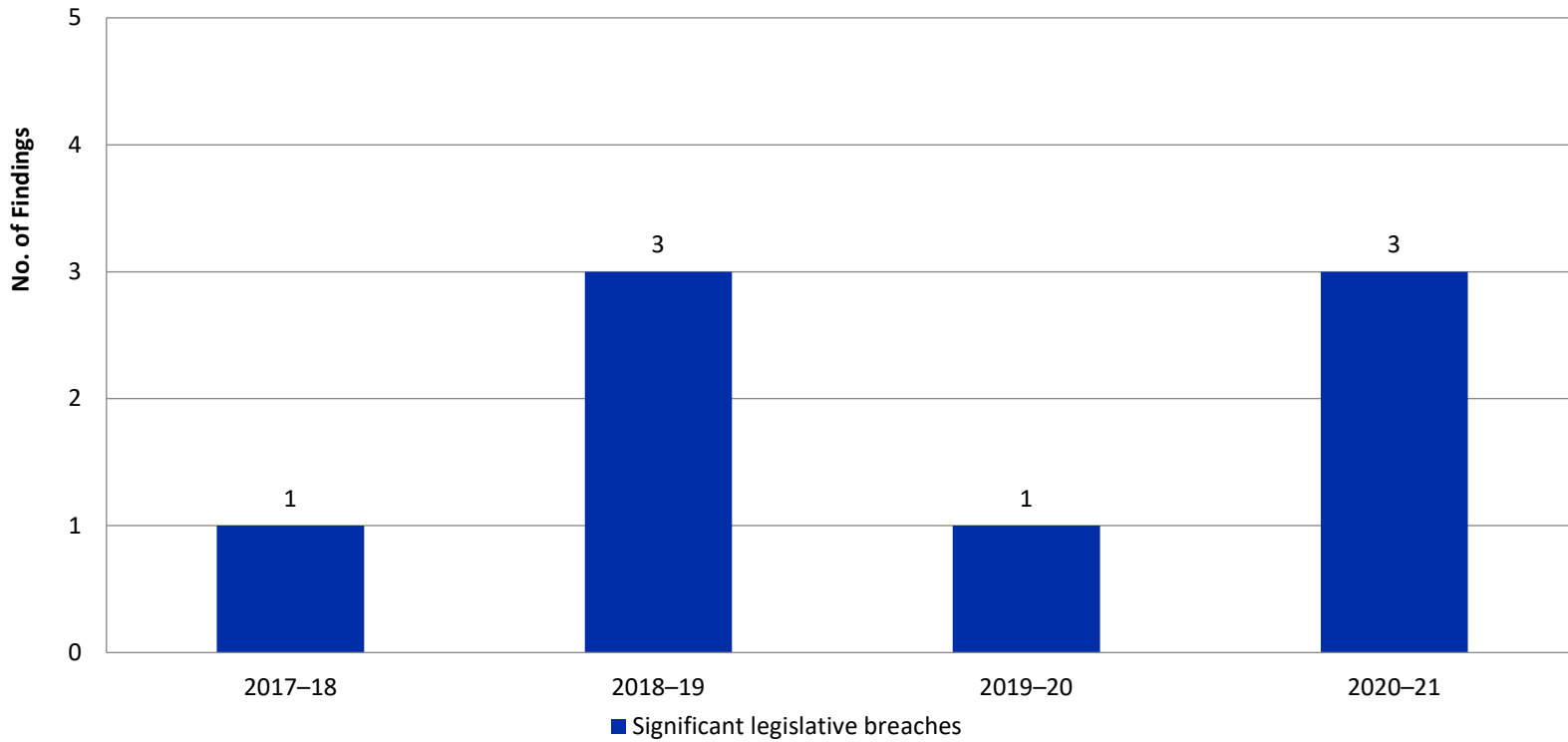
- Total findings 165 (2019-20: 145)
 - 2 significant (2019-20: 2)
 - 21 moderate (2019-20: 23)
 - 127 minor (2019-20: 117)
 - 14 Legislative Breaches (2019-20: 3)
- 87.1% (2019-20: 78%) of moderate findings related to IT controls; Compliance and quality assurance frameworks; Management of non-financial assets; and Legislative Breaches.



Significant Legislative Breaches

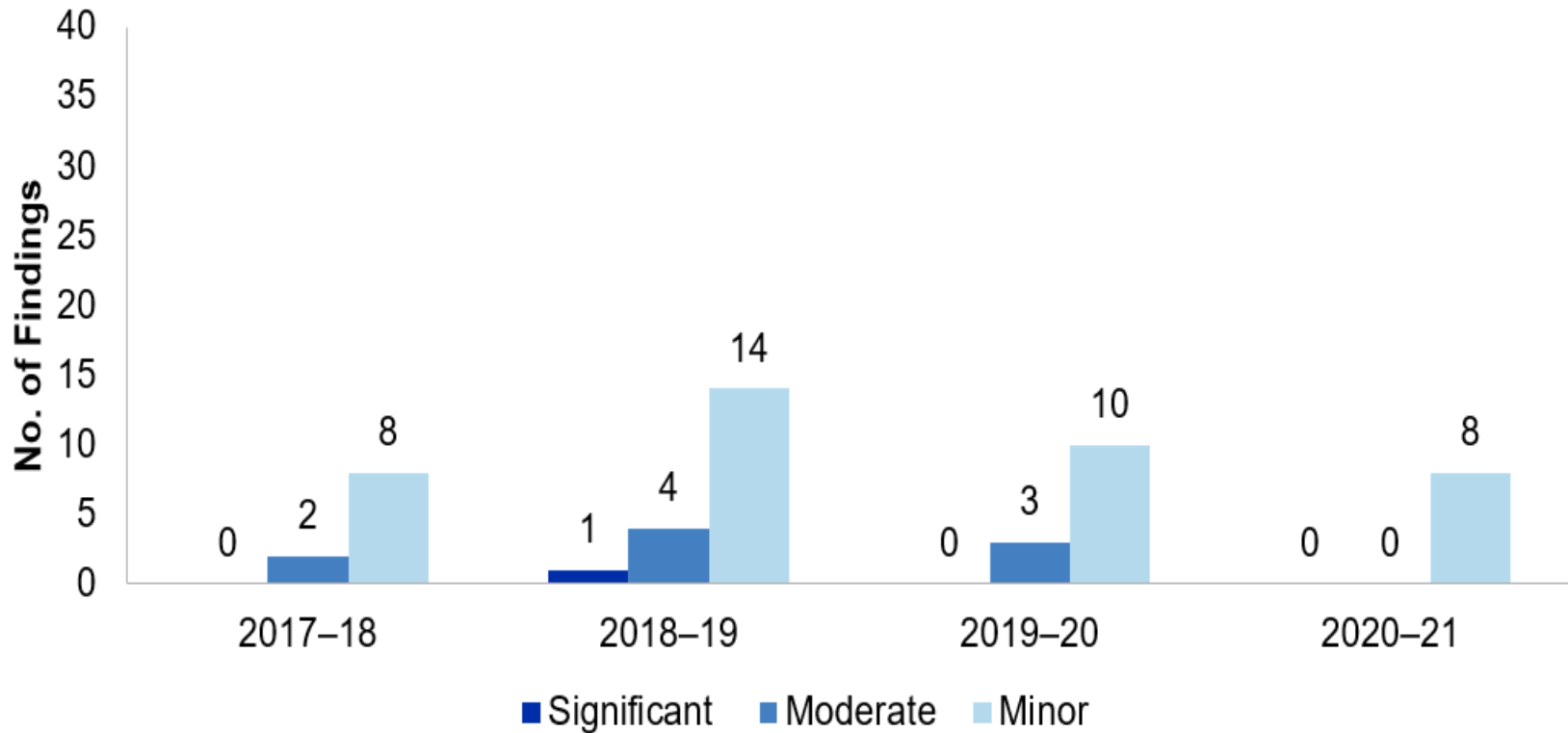


Legislative breaches

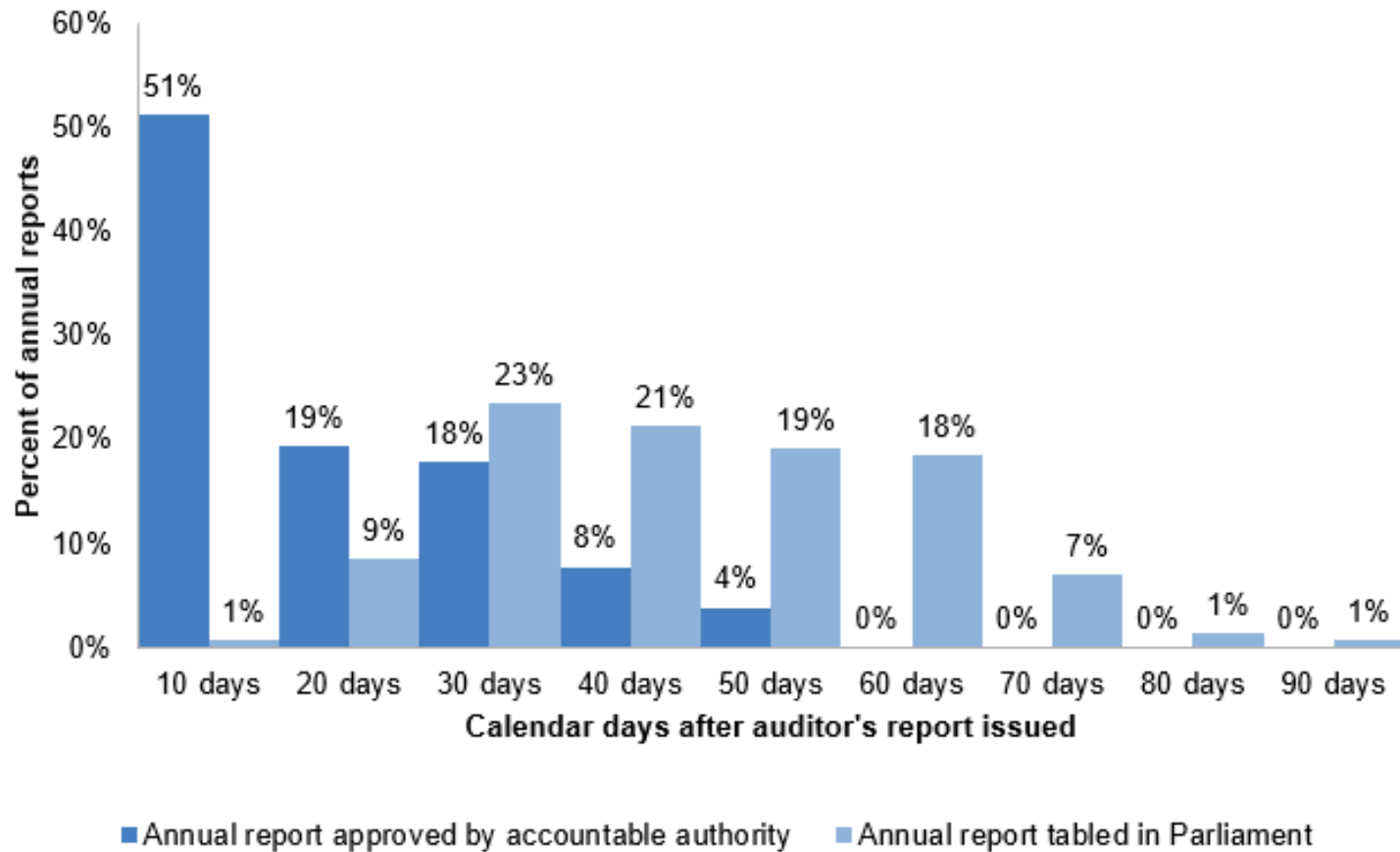




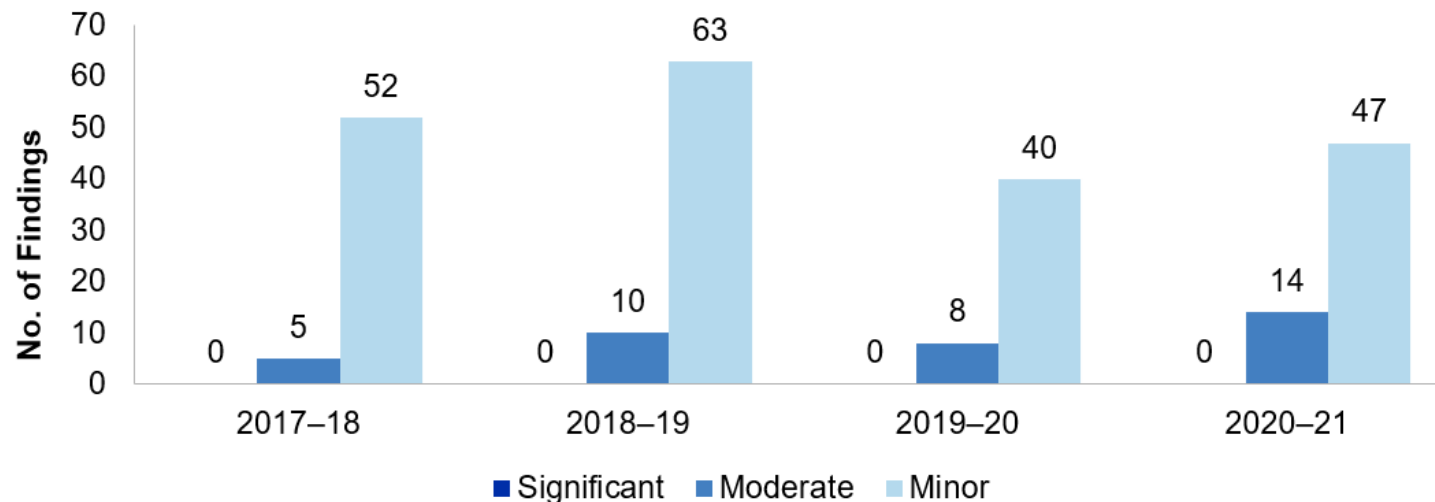
Quality of FS Preparation



Tabling of Annual reports



- Cyber security remains a strategic priority for the Australian Government.
- *ISM Security Control 0430* specifies that access is removed or suspended on the same day personnel no longer have a legitimate requirement for access.
- Analysis of 18 entities - selected on the basis of their: contribution to the income, expenses, assets and liabilities of the 2020–21 CFS; requirement to annually report against the PSPF; and IT risk and complexity.
- 8 of 18 entities did not adequately implement *Security Control 0430*.





Financial Sustainability



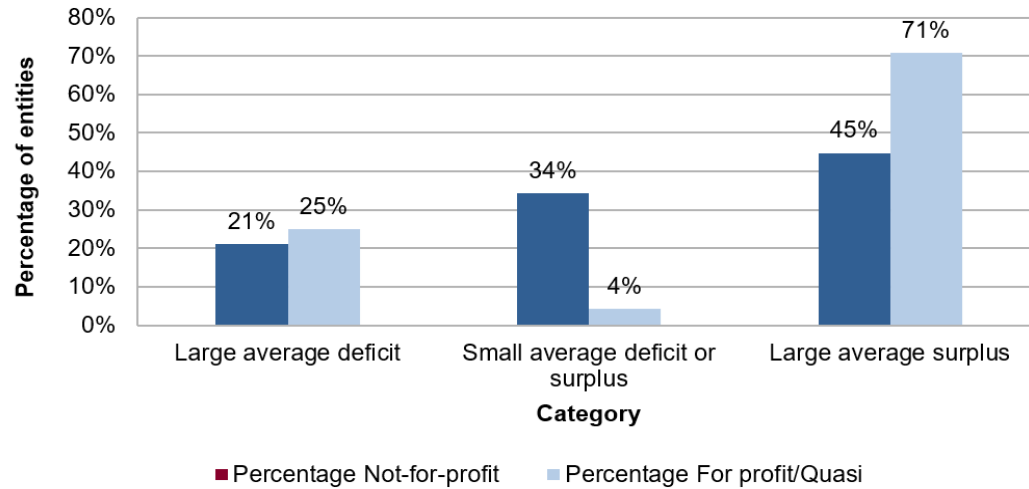
Integral to an audit is an understanding of an entity and its environment, including an entity's financial sustainability. Financial sustainability measures the ability of an entity to manage its financial resources so it can meet present and future spending commitments. ANAO undertook analysis on the operating results and balance sheet of material entities.



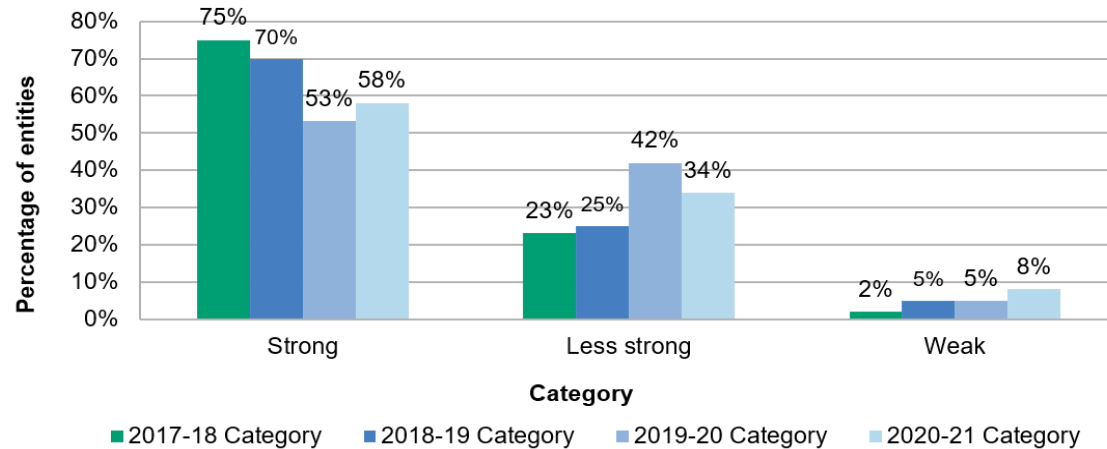
Financial Sustainability



Operating results parameters:



Balance sheet parameters





Moving forward in 2021-22



Concluding remarks

- Good preparation processes
- Unadjusted differences
- Signing and tabling dates
- Capability challenge
- Focus on integrity
- Audit Focus for 2021-22



Performance Statements Overview

George Sotiropoulos
Group Executive Director
Performance Statements Audit Services Group



Performance statements audits



Performance statements audits of all control entities by 2025–26.

Audit Year	Number of Entities
2020–21 (previous)	3
2021–22 (current)	6
2022–23	10
2023–24	14
2024–25	19
2025–26	24



Initial Observations



- Maturity cycle for performance statements
 - Analogous to introduction of accrual accounting?
- Efficiency measures
- Preparation processes, including involvement of Audit Committees
- QA over performance information
 - Information from third parties





Performance Audit Update

Carla Jago
Group Executive Director
Performance Audit Services Group



Performance audit update



- Continuing our work on COVID-19 topics – audits underway:
 - International Travel Restrictions during COVID-19
 - Overseas Crisis Management and Response: The Effectiveness of the Department of Foreign Affairs and Trade’s Management of the Return of Overseas Australians in Response to the COVID-19 Pandemic
 - Administration of the JobKeeper Scheme
 - Human Biosecurity Practices for International Air Travel during COVID-19
 - Australia’s COVID-19 Vaccine Rollout
 - COVID-19 Support to the Aviation Sector



Performance audit update



- Audit team access and information provision
 - Timeliness
 - Remote access
 - Education
- Use of the full range of products to provide assurance to Parliament

Key messages



probity
noun [proh-bi-tee, prob-i-]



Thank you!
Any questions?