



Welcome

Chief Financial Officer's Forum

Hosted by the Australian National Audit Office
8 July 2022



Performance Audit Update

Carla Jago
Group Executive Director
Performance Audit Services Group



Performance audit update



1. 2022-23 Annual Audit Work Program
2. Engagement with ANAO on performance audits
3. Lessons from recent performance audits
- procurement



2022-23 Annual Audit Work Program



- Risks and audit focus by portfolio
- Pillars used as a lens across the program
- See <https://www.anao.gov.au/work-program>



Engagement with the ANAO on performance audits



JCPAA Report 491 and ANAO submission
to inquiry into review of the Auditor-
General Act

See *A guide to conducting performance
audits* at

[www.anao.gov.au/work/corporate/guide-
to-conducting-performance-audits](http://www.anao.gov.au/work/corporate/guide-to-conducting-performance-audits)

Lessons from recent audits





Audits of Annual Performance Statements

George Sotiropoulos
Group Executive Director
Performance Statements Audit Services Group



Overview



- 2 year pilot completed
- End of Year report released in April
- Staged implementation
 - 10 audits for 2022-23
- Methodology and capability



End of Year report conclusions



- Timely findings and recommendations
- Better ANAO communication with audited entities and the sector
- ANAO to continue to refine audit methodology
- Entity preparation processes and statements need time to mature



Lessons learned



- Better plan = better audit
- Year 1 is hard
- Authority of the centre
- Third party assurance needs to improve
- High quality disclosures matter
- Less can be more



Areas of Focus – 2021-22



- Sign off entity performance statements prior to their inclusion in annual reports
 - Work with entities to align with financial statement sign off where possible
- Materiality
- Audit opinion



2022-23 and beyond



- Work closely with sector to refine methodology
 - Bring forward planning and interim stages
 - completeness
 - 'present fairly'
- Continue to build capability – team and sector
- End of Year report

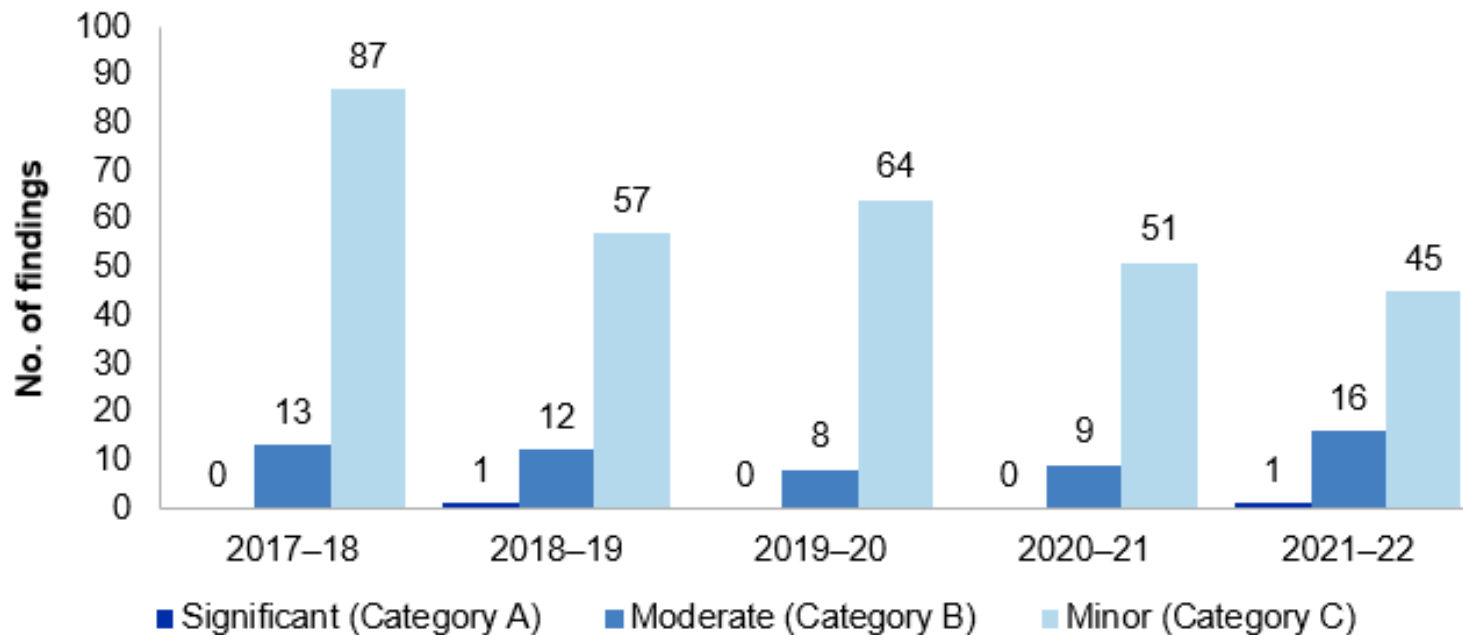


Key themes from the audits of Auditor-General Report *Interim Report on Key Financial Controls of Major Entities*

Sean Benfield
Executive Director
Financial Statements Audit Services

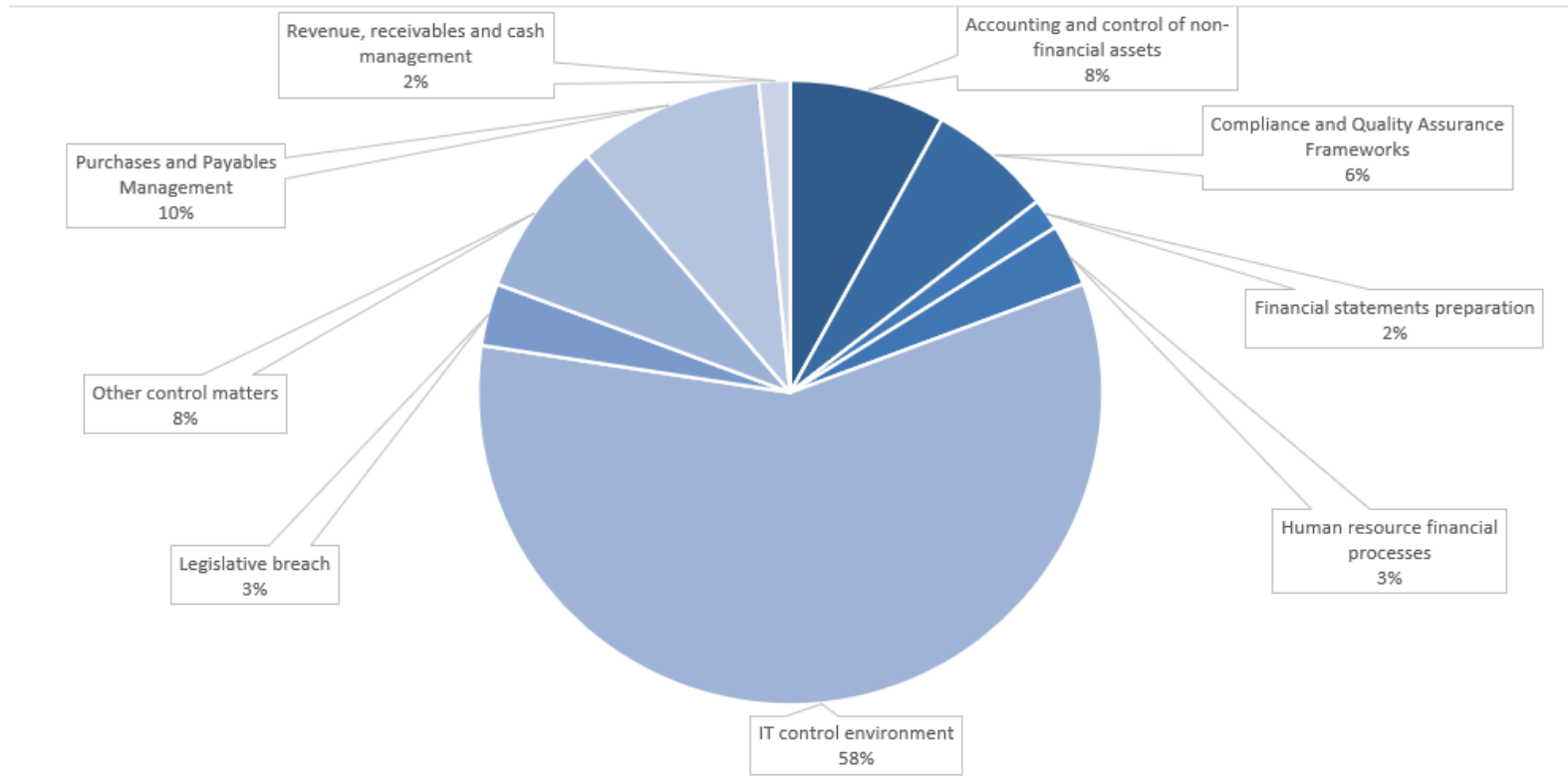


Aggregate audit findings for last five years





2021–22 interim audit findings – by category



Source: ANAO compilation of interim findings.



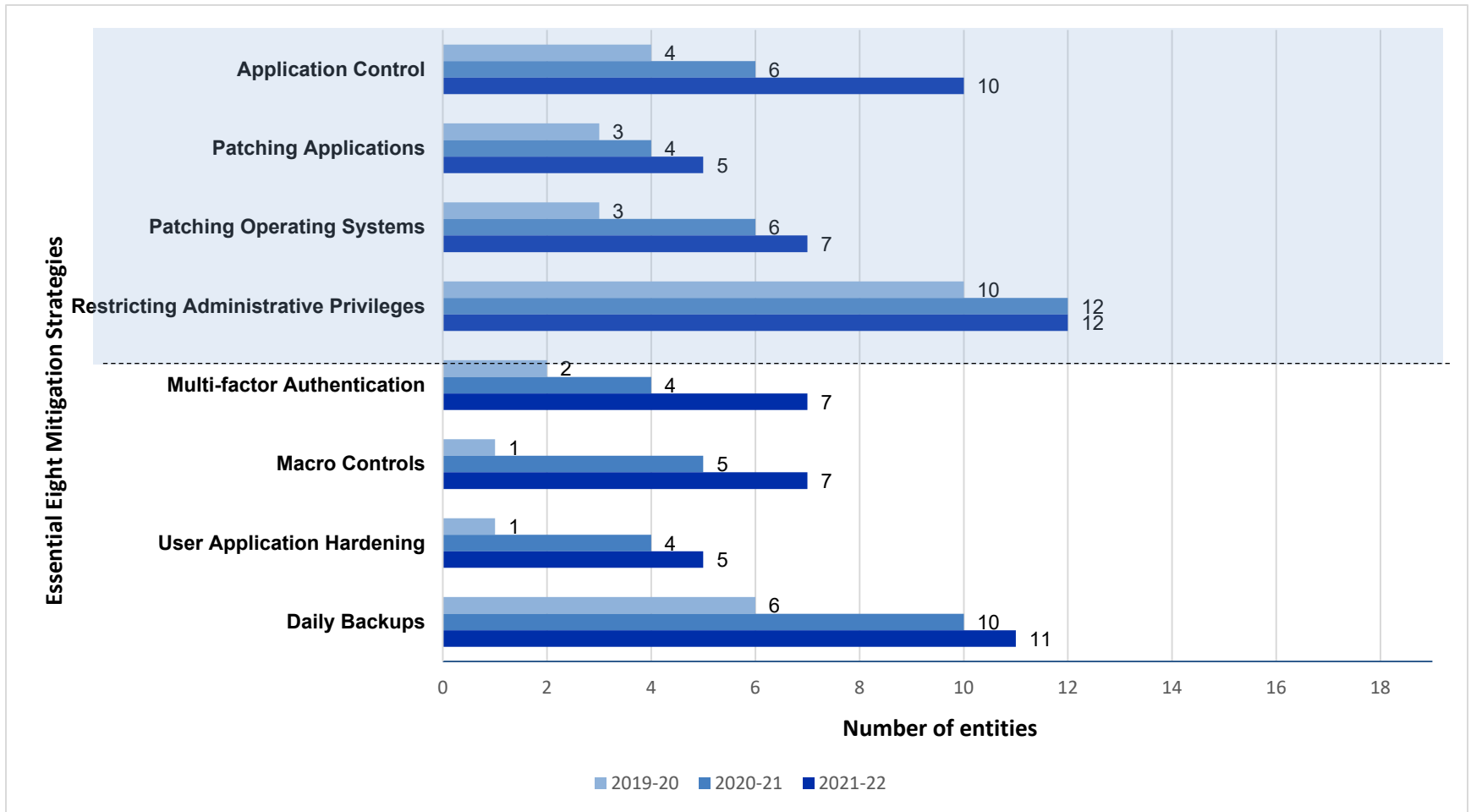
Audit Committee Reporting Requirements



- The ANAO followed up assessment of compliance with audit committee reporting requirement for 2021 annual reports.
- This included the reporting of: a direct link to the audit committee charter; audit committee membership, knowledge and skills; meeting attendance; and member remuneration.
- The current year review demonstrates improved compliance with PGPA Rule



Safeguarding financial information from cyber threats





Audits of the Financial Statements for the period ended 30 June 2022



- Emerging themes and focus areas:
 - Still seeing executive remuneration issues: likely a focus area in the end or year report on governance arrangements and disclosure in annual reports, including new guidance on bonuses.
 - Disclosure of related party transactions: processes in place for identifying related party transactions given recent change in government.
 - Segregation of duties/fraud: governance awareness and importance of controls.
 - Valuation and impairment: management judgement and review processes.



IT General Controls/Cyber Security

Edwin Apoderado
Senior Director
Systems Assurance and Data Analytics



IT General Controls/Cyber Security



- IT General Controls
 - Onboarding & Offboarding
 - Management and monitoring of privileged users
 - Password management
- Essential 8
 - Updated requirements
 - What assurance is being provided to the Accountable Authority?