



**A U S T R A L I A N N A T I O N A L
A U D I T O F F I C E**

It stands for more than you think



It stands for
excellence

What makes us UNIQUE AND AN INTERESTING PLACE TO WORK?

A sound legislative framework establishes the ANAO's independence and authority. Founded on the *Auditor-General Act 1997* (recognised as better practice audit legislation both in Australia and overseas), the Office of an independent Auditor-General is an essential element of our system of democratic government.

Independent financial and performance audits give Australians confidence in the effectiveness of both the public service and our system of government. The ANAO's status as an apolitical, objective body is one of our major strengths and the cornerstone of our credibility and effectiveness.

In addition to providing independent assurance, we strive to add value to public sector administration and accountability. Agencies rely on the ANAO for objective confirmation that they are delivering the best possible financial outcomes and have the appropriate processes, information

systems and supporting governance in place to meet the expectations of their CEOs, clients and the Parliament.

Products range from highly regarded performance audits that target particular issues across the Australian public sector; state of the art financial statement audits that provide assurance as to the stewardship of public funds, and better practice guides which identify better practice across various aspects of public administration.

Our annual audit of Consolidated Financial Statements and our assessment of agency control structures provide a unique overview of the ongoing financial performance of almost 250 Australian Government Agencies. Our commitment to transparency means this information is available through our website (www.anao.gov.au) which lists all publications, the audit work program and the Office's Corporate and Business Plan.



It stands
for
integrity

Financial Statement AUDITS

The Assurance Audit Services Group has a mandate to audit all Australian Government Agencies and bodies every year - approximately 250 audits in all. The scope of audits is diverse both in terms of size and complexity. Business and accounting processes vary for each client in terms of their control environment, management structure and corporate governance frameworks. Each audit must also factor in changes in business operations and accounting applications.

We use a risk-based methodology to develop the audit program, based on materiality, corporate governance arrangements in the agency and the client's internal controls. Teams are assigned based on the complexity of the job and include both professionals who have joined us from commercial and other public sector agencies, as well as contractors from the major commercial accounting firms.

This combination of experience means that we can benchmark our methodology and practices, ensuring that we are at the forefront of auditing

innovation. It also offers us a broad view of the industry landscape in both the commercial and public sector arenas.

There are many challenges involved in managing the audit program. The ability of our people to communicate with influence is critical to building the strong relationships needed to guide clients through such challenges as international harmonisation of accounting standards and helping guide clients' financial reporting to enhance decision making.

Our independent status gives us professional integrity. We predominantly focus on financial statement audits, adopting a methodology which incorporates an integrated approach with IT Audit, Performance and Business Support Process staff.

Once an audit has been conducted, we produce the audit report which is published in the agencies' annual report and online, as well as providing feedback to the relevant Minister for that agency. The reporting of the outcomes of our audits are forwarded to Parliament each year.

A photograph of a young woman with blonde hair, wearing a dark blazer over a teal shirt, and an older man with white hair and glasses, wearing a suit and tie. They are both looking at a document held by the woman. The background is a blurred office setting with warm lighting.

It stands for
respect

Business and Performance

ANALYSIS

Each year the ANAO reviews and updates its rolling program of performance audits. Selection is based on a number of factors, including identified risks to public administration, visibility, coverage and Parliamentary interest. Also reflected are general themes or trends impacting the Australian Public Sector as a whole, such as governance, program implementation or service delivery.

Performance Audit branches are separated into specific portfolios of agencies. Staff within these branches have a particular knowledge of the various issues and risks their clients face.

Performance audit teams are small, versatile and chosen for their knowledge of the particular agency. Teams generally comprise up to two or three people, depending on the complexity, risks and expectations involved.

Performance auditors need to have a wide spectrum of skills - including analytical, project management, strategic thinking and report writing - and take satisfaction in the intrinsic process of analysis and making recommendations that are practical and useful.

Each audit team sets its objectives and criteria, then works closely with the agency to produce the audit findings. Recommendations are then drawn up, provided to the agency for comment and subsequently tabled in Parliament. Around 50 audits are carried out per year and the Joint Committee of Public Accounts and Audit (JCPAA) may review a number of these at a public hearing.



but above all,

IT STANDS FOR

confidence
in our work

INTRODUCTION FROM THE AUDITOR-GENERAL

The Australian National Audit Office (ANAO) occupies a unique position as the external auditor for the Commonwealth of Australia. It provides Parliament and the Australian people with an independent view on the performance and administration of Federal public sector agencies and organisations.

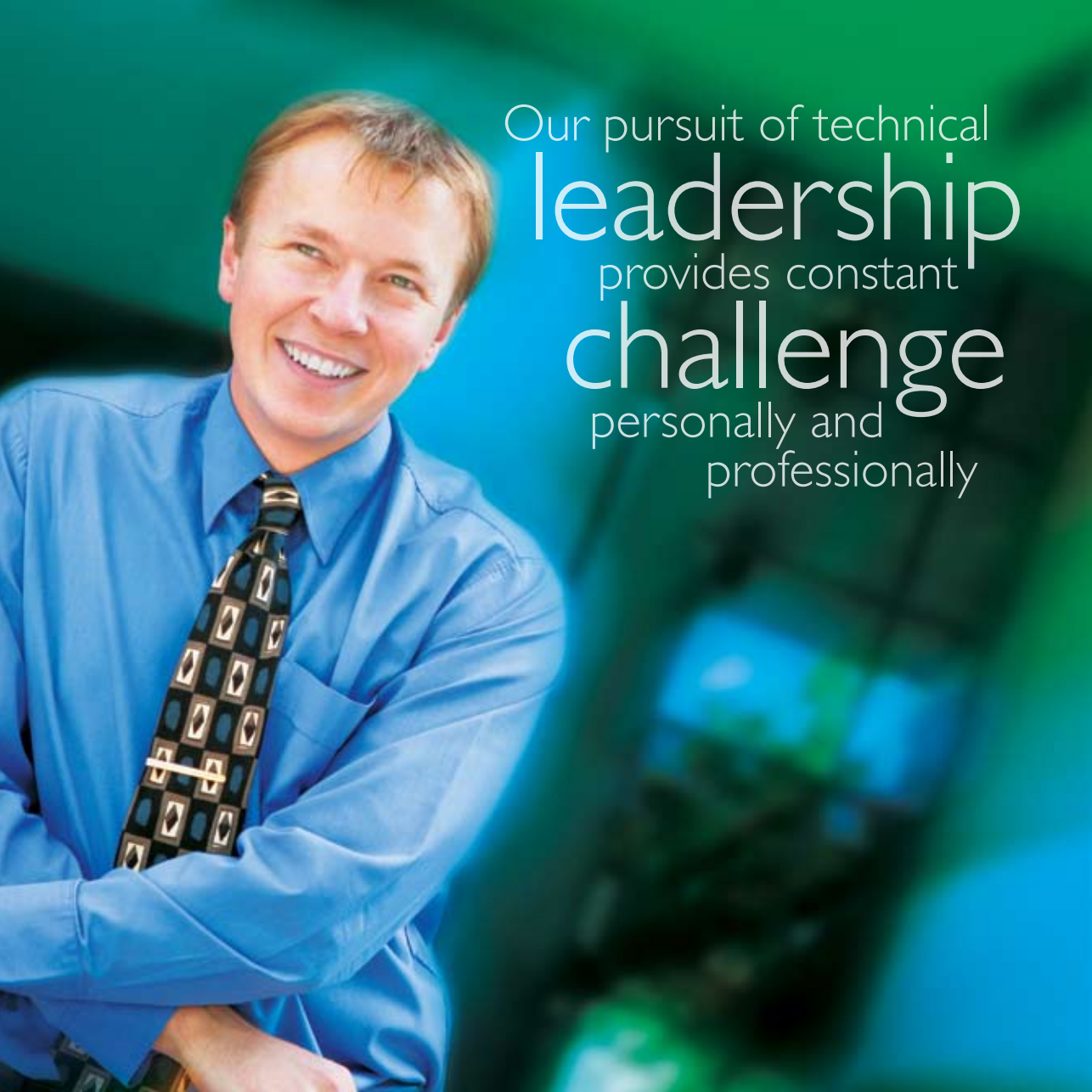
The ANAO has a dual role in reporting on the financial management and overall performance of the public sector. Our first aim is to provide independent assurance audits in our more traditional role as 'watchdog'. Our second is to identify improvements to public administration through performance audits. This area of our work is growing in impact as the public sector is challenged by increasingly complex and diverse governance issues.

We are integral to the changing governance environment, but our independent position gives

us particular responsibilities and obligations. Our approach - in our own work and what we do for our clients - is built on the four principles of good governance in public sector agencies: transparency, integrity, accountability and stewardship. We follow these principles strictly as we aim to create the right mix of audit products to provide adequate assurance and improve public administration. They also assist us to guide agencies in dealing with their own challenges.

Independence helps us to achieve greater confidence and respect from stakeholders, but we also face unique challenges in the dynamics influencing public sector administration. This brochure outlines how we support Federal Parliament and public sector administration, the impact of our work and the skills and expertise of our people who carry this work out.

AUDITOR-GENERAL



Our pursuit of technical
leadership
provides constant
challenge
personally and
professionally

How we work WITH OUR **CLIENTS**

Our focus is on working with agencies to improve public sector administration, dealing with emerging governance and accounting issues, and providing the Parliament with reports on the results of our work. This requires considerable skill and judgement. A deep understanding is needed of those changes and this requires close cooperation between the Office and its audit clients.

As part of our commitment to transparency and in order to stay ahead of developments affecting the profession and our clients, we liaise with relevant stakeholders and build them into our annual schedule of activities. The most important aspect of this is the development and discussion of our annual audit work program.

In setting our audit work program for the twelve months ahead, we focus on the most significant business risks and administrative challenges facing public sector agencies. We also monitor the broader environment so that important global issues can be taken into account.

Direct involvement with agencies and regular liaison through client audit committee activities allow us to account for specific agency issues.

Cross portfolio audits are a response to 'across the board' issues and compare experiences in a range of agencies and entities. Our ability to compare operations across the public sector and sometimes within the private sector, as well as our statutory independence are significant strengths and add value to a wide range of stakeholders.

Our experience across a range of issues in Australia and overseas allows us to assist agencies in understanding the risks and opportunities involved in various management approaches.

As well as benchmarking and analysing public sector performance, we also compare our own performance to that of our peers in Australia and internationally. This is both a learning and accountability experience for the Office itself.



Continuous improvement means
development
enhanced by the continuous
variety
of our work

The importance OF OUR PEOPLE

We are proud to be a centre of excellence and integrity in the auditing arena. Our philosophy of independence, continuous improvement, best practice, participation, accountability and consultation is reflected in the employment culture of the ANAO.

The people we employ demonstrate the professional judgement, tact and leadership skills that are crucial to maintaining the ANAO's reputation for objectivity and impartiality. They combine these qualities with highly developed technical abilities in their particular field.

We place particular importance on the training and development of our people. An annual training calendar allows employees to arrange a structured individual training program to prepare them for the next level up or to strengthen skills in a particular area. There is

also regular technical update training to keep staff up-to-date with the latest developments in methodologies and practices.

We also operate a twelve-month training scheme for graduates aimed at providing a thorough grounding in the work of the ANAO and the standards and skills expected.

The ANAO values each of its employees and strives to create an environment that is interesting, supportive and personally fulfilling. Individuals are encouraged to acquire new skills, widen their experience and learn from one another.

We are engaged in important work with real impact. Above all we encourage employees to enjoy and take pride in their involvement in performance enhancing or value-adding achievements in the public sector.



We create the most meaningful
impact through the
balance
of skills, integrity and
objectives

Our **AFFILIATIONS** AT HOME AND ABROAD

We work closely with major accounting firms, CPA Australia, the Institute of Chartered Accountants in Australia, and the Auditing and Assurance Standards Board to set and maintain professional and ethical standards.

As a member of the Australasian Council of Auditors-General (ACAG), we contribute to the advancement of public sector auditing in all States and Territories of Australia, Papua New Guinea, New Zealand and Fiji.

Internationally, we have close links with the:

- **International Organisation of Supreme Audit Institutions (INTOSAI)**
- **Asian Organisation of Supreme Audit Institutions (ASOSAI)**
- **International Consortium on Governmental Financial Management (ICGFM)**

Through these organisations we assist with the development of auditing standards, professional practices and exchanges of knowledge and experience. We also host visits by overseas delegations and contribute to the development of overseas audit offices.

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