Briefing to
House of Representatives Staff

The role of the Auditor-General
and my relationship with the
Parliament

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Introduction

I am pleased to accept your kind invitation to brief you on my role and the relationship I have with the Parliament. I want to use this occasion to outline:

- my responsibilities as Auditor-General and the importance of the role in the context of our Parliamentary system;
- the legislative powers I have to undertake the role;
- the types of audits and reports the Australian National Audit Office (ANAO) undertakes, and some of the common themes highlighted by our work;
- how we assess the ANAO's performance, particularly in terms of meeting the needs of Parliament; and
- the increasingly demanding environment in which the ANAO now operates.

First though, let me set the scene with a reference to earlier times.

Auditing has a long lineage

The presence of auditing has been gleaned from records of the Mesopotamian civilization going back as early as 3,500 BC. These records, involving financial transactions, displayed various markings which point to a system of verification. Internal controls and separation of duties probably arose at the same time. The records of other early civilizations, including early Egyptian, Greek, Chinese, Persian and Hebrew, display similar systems.

Ancient Rome employed the ‘hearing of accounts’, where one official would compare his records with those of another, an application of both separation of duties and verification. It is this practice, the of hearing of accounts, which probably gave rise to the term ‘audit’, from the Latin ‘auditus’ - to hear.

However, it was not until the industrial revolution in Europe that auditing with characteristics similar to what we know today came into being — that is, going beyond the hearing of accounts to include verification of accounting records and associated supporting documentation.

While the Office of the Australian Auditor-General does not go back quite so far, it does have its genesis in the earliest days of federation. The Audit Act 1901 was the fourth piece of legislation passed by the Parliament, coming into effect on 1 January 1902. Its passage followed two Supply Acts and the Acts Interpretation Act.

The Audit Bill was introduced into the House of Representatives on 5 July 1901 by the Treasurer, Sir George Turner, and was described as ‘one of the many machinery bills’ the legislature needed to enact ‘in order that the work of the Government may be properly carried on’. The desire was to establish a uniform system of dealing with Commonwealth accounts while ensuring
financial propriety and due process. To complete the package, the creation of a reliable public audit of Commonwealth spending was necessary to ensure accountability for the public purse. In these early days there was, understandably, an emphasis on disbursements ‘in order to prevent frauds and defalcations’.2

The passage of the Audit Act was promptly followed by the State Laws and Records Recognition Act 1901, the Customs Act 1901 and the Beer Excise Act 1901. The Commonwealth Public Service Act was passed in 1902.

Since those days, the Auditor-General’s role has expanded to providing an independent review of the performance and accountability of the Commonwealth public sector in its use of public resources. The ANAO delivers a range of audit products to meet this responsibility and respond to the expectations of the Parliament, the Government and the public sector entities that we audit.

As with the current Auditor-General Act 1997, the 1901 Act was very specific about the duties, powers and mandate of the Auditor-General but left the way in which those duties were carried out to the discretion of the Auditor-General.

With this as a backdrop let me now outline the role and responsibilities of the Auditor-General and the Australian National Audit Office, and our modus operandi.

**Role and Responsibilities**

The office of Auditor-General makes a key contribution to the system of public accountability, serving as the external auditor of the Executive Government with a duty to report directly to Parliament on the financial stewardship and the economy and efficiency of the operations of Commonwealth entities.

The budget of the ANAO for 2005-06 is $64 million, and Commonwealth expenses for the same period are around $243,000 million, so it is apparent that we need to be selective in our audit coverage, having regard to factors such as materiality, risk, past coverage and opportunities for improvement in public administration.

There are two factors that heavily influence my perspective on the role of my office:

- the confidence and reliance that Members of Parliament have on the work of the ANAO to provide assurance about the state of public administration; and
- the desire, on the part of agencies, that we bring our experience ‘to the table’ in our audits of their operations. This is particularly important in fostering our Corporate Plan goal of improving the efficiency and effectiveness in public sector administration.
To fulfil my primary reporting role to the Parliament on the performance of public sector agencies the ANAO undertakes a programme of performance audits (Part 4, Division 2 of the Act) and financial statement audits (Part 4, Division 1 of the Act) — basically the ANAO has two outcomes that flow from my role and these are articulated in our Corporate Plan:

**Outcome 1**  Fostering improvement in public administration; and

**Outcome 2**  Providing an independent assurance of public sector financial reporting, administration, control and accountability.

This is a role for which Parliament itself is not well-suited. The ANAO has the resources, knowledge and technical expertise needed to assess whether government agencies present financial statements which fairly represent their financial position and which comply with relevant laws and standards.

Additionally, the Parliament looks to the Auditor-General for assurances that government agencies perform their functions efficiently and effectively — this was an additional mandate, not provided for in the 1901 Act, but given to the Auditor-General in 1979. To fulfil this additional responsibility effectively, the ANAO is required not only to assess performance objectively, but also to make constructive recommendations for improvements to programme or agency performance.

The effectiveness of the Office of Auditor-General is based on two fundamental factors — the special relationship between the Auditor-General and Parliament based on the Office of Auditor-General being ‘an independent officer’ of the Parliament; and the (audit) independence provided for under the Auditor-General Act 1997. This allows for the Auditor-General to provide independent assurance to the Parliament, the Government and the public generally on the financial statements, financial administration and accountability of Australian Government public sector entities.

The ANAO values the relationship it has with Parliamentary Committees. We are pleased to assist Committees through our work and to provide evidence on issues where we have relevant audit experience. We do have a special relationship with the Parliamentary Joint Committee on Public Accounts and Audit. Both the Auditor-General Act 1987 and the Public Accounts and Audit Committee Act 1951 recognise this position.

**The JCPAA's statutory role**

As many here will know, the JCPAA is one of only a small number of committees of the Parliament established by legislation. Under its charter, the JCPAA:
may advise the Auditor-General of the audit priorities of the Parliament;

examines all reports of the Auditor-General;

considers the resourcing and budget estimates of the ANAO; and

may reject a Government proposal in relation to the appointment of the Auditor-General – this recognises the special relationship between the Office of the Auditor-General and the Parliament;

I should point out however that neither the JCPAA, nor the Government, may direct the activities of the Auditor-General. In essence, the development of the performance audit work programme is entirely a matter for the Auditor-General, however as a matter of course I do consult with the JCPAA (and through the JCPAA, other committees of Parliament) and public sector agencies when framing our programme. Additionally, the Parliament or its Committees, Ministers, Members of Parliament and members of the public, may request audits for particular purposes, and if the Auditor-General agrees to undertake these audits, he/she is accountable to the Parliament for the delivery of them.

As a matter of course, the JCPAA reviews all performance audit reports and the Committees of the Parliament may, if they choose, conduct an inquiry into any aspect of a performance audit. The role of the JCPAA in examining reports of the Auditor-General is neither discretionary nor constrained in any way. It is a role which the JCPAA considers to be important in the process of ensuring that the Executive is held to account by the Parliament. Throughout its long history the JCPAA has produced reports which have influenced the shape of the legislative and administrative framework within which public administration is conducted, based on its consideration of reports of the Auditor-General.

The JCPAA's review procedures

The JCPAA's primary purpose in reviewing audit reports is to assess whether audited agencies have responded appropriately to the Auditor-General's findings. In many cases the JCPAA will avoid going over ground already well covered during an audit and will focus on the significant issues arising, any disputed matters, and on whether agencies have acted upon their initial responses, or have demonstrated an intention to do so.

The JCPAA's review procedures are built around a series of public hearings to be held each quarter, or as part of major inquiries which run for some months. At these hearings evidence will be taken from agencies which have been the subject of 'significant' audit findings which bear on the Committee's terms of reference. ANAO staff also meet with the Committee to provide private briefings on the audit issues ahead of a public inquiry as well as providing evidence to the Committee during the course of an inquiry.

In deciding which review approach to take in relation to particular audit reports, the JCPAA will usually consider:
the significance of the programme or issues canvassed in the audit report;
the significance of the audit findings;
the response of the audited agencies, as detailed in the audit report and in any subsequent written submissions provided to the JCPAA; and
the extent of any public interest in the issues canvassed in the audit report.

The result of the JCPAA's review will be, in all cases, a report to Parliament. The report may take the form of a compendium report, containing the JCPAA's comments on a number of reports considered at the quarterly hearings (these reports will appear on a regular basis, shortly after each quarterly hearing). Alternatively, in the case of an audit report which leads to or contributes to a specific JCPAA inquiry, the JCPAA's report will focus on the issues arising from that audit report and will be presented to Parliament at the completion of the inquiry.

**Legislative Powers**

As mentioned earlier the independence of the Auditor-General is protected by legislation, and is critical to the effective discharge of his/her responsibilities. The *Auditor-General Act 1997* specifies:

- that the appointment of appointment of the Auditor-general requires the support of the Government and the Parliament (the Joint Committee of Public Accounts and Audit) — Clause 9 & Schedule 1 of the Act;
- a 10 year, non renewable, appointment for the Auditor-General — Clause 9 & Schedule 1 of the Act;
- the Auditor-general can only be removed if agreed by each House of Parliament in the same session, on the grounds of behaviour or physical or mental incapacity — Clause 9 & Schedule 1 of the Act.
- the Auditor-General is an independent officer of the Parliament and the Auditor-General may not be directed by Ministers or Parliament as to audits to be undertaken — clause 8 of the Act (however, as I have already intimated, I am naturally responsive all requests from the Parliament and its Committees).
- the Auditor-General has wide powers of access to people and papers in undertaking audit responsibilities — Part 5 of the Act;
- the Auditor-General is also the head of the Australian National Audit Office and has a range of obligations under the Public Service Act — Part 6 of the Act.

As I flagged earlier, the *Auditor-General Act 1997* also sets out the main functions and powers of the Auditor General — Part 4, Division 1 deals with
the audit of financial statements and Division 2 sets out the basic performance audit mandate. At this point it may be useful to flesh out in a bit more detail the statutory functions with regard to performance audit, as these have tended to attract a higher profile than our financial statement audits, however of late, financial statement audits have become quite noteworthy, particularly relating to the Defence Organisation.

Part 4, Division 2 of the *Auditor-General Act 1997* allows for:

- conducting a performance audit of an agency at any time [Sect 15(1)];
- conducting a performance audit at any time of a Commonwealth entity (other than a Government Business Enterprise), or of any of its subsidiaries [Sect 16/17];
- conducting a performance audit of a Commonwealth entity that is a Government Business Enterprise, or of any of its subsidiaries, if the responsible Minister, the Finance Minister or the Joint Committee of Public Accounts and Audit (JCPAA) requests the audit [Sect 16(2)]. The Auditor-General may ask the responsible Minister to make the request [Sect 16/17];
- conducting a review or examination, at any time, of a particular aspect of the operations of the whole or part of the Commonwealth public sector, being a review or examination that is not limited to the operations of only one Agency, body or person [Sect 18(1)];
- entering into an arrangement with any person or body to conduct a performance audit of the person or body (Sect 20(1)(b)), but the Auditor-General must not perform functions under this section for a purpose that is outside of the Commonwealth’s legislative power [Sect 20(3)];
- accepting appointment under Corporations law as the auditor of a subsidiary of a Commonwealth authority [Sect 21 (1)(a)], a Commonwealth Company [Sect (21(1)(b)], or any other company in which the Commonwealth has a controlling interest;
- providing advice or information to a person or body relating to the Auditor-General’s responsibilities, if it is in the Commonwealth’s interest to do so [Sect 23 (1)]; and
- tabling a report, at any time, in either house of the Parliament on any matter [Sect 25].

It is apparent that the functions of the Auditor-General potentially embrace most aspects of Australian Government administration, however some areas are exempt from the audit mandate, for example:

- the Houses of Parliament, its members and committees (Section 30 of the *Audit Act*);
- staff employed under the *Members of Parliament (Staff) Act 1984*;
- judicial actions of the courts including actions that are integral to the operations of the court such as operations of the court registrar or the
rules of the court (however certain common administrative functions, such as the operation of asset management, privacy, employment of staff under the Public Service Act 1999, security and the like may be subject to performance audit); and

the processes directly related to government policy undertaken by members of the Government and their personal staff. But, on the other hand, functions performed by agencies that lead to the adoption of policies by the Government or flow from them are functions of the agency and may be subject to audit. I will have some further observations on this issue later.

Parliamentary Privilege: The parliamentary privilege enjoyed by Senators and members is extended to certain documents prepared for presentation in either chamber — the ANAO’s audit reports tabled in Parliament also attract parliamentary privilege thus ensuring the independence of my reporting role.

Before I move on to the audit products of the ANAO I should mention that the ANAO is itself not immune from review. Part 7 of the Auditor-General Act 1997 provides for the appointment of an Independent Auditor to undertake the audit of our financial statements and conduct performance audits of the ANAO. A new Independent Auditor has recently been appointed.

Types of Audits, Reports and Products, and some common themes

To meet the expectations of the Parliament and, more broadly, the Australian public, the ANAO is continually reviewing its audit products and approach to ensure that our audit coverage provides an effective and independent review of the performance and accountability of Australian Government public sector agencies. We seek to ensure that our performance and financial statement audits are well targeted and fully integrated and, in this way, maximise the Office’s contribution to improved public administration. In this context we strive to ensure our audits address priority areas which impact on programme performance and are giving appropriate coverage to matters of legislative compliance.

The ANAO has three broad audit products:

- **Financial statements audits** which provide independent assurance on the financial performance and position and financial administration of Commonwealth public sector entities to the Parliament, the Executive, boards, chief executives and the public. Depending on the body being audited, these audits are conducted under the Financial Management and Accountability Act 1997 or the Commonwealth Authorities and Companies Act 1997.

- A programme of **performance audits** which provide independent assurance on the administration of government programmes by public entities, and making recommendations with the aim of improving
public sector administration and accountability — these can be agency specific or across agencies; and

Providing guidance on and examples of better practice through our Better Practice Guides (BPGs), through seminars and conferences and, more recently, with the Audit Focus pamphlet. The BPGs usually are developed following the results of an audit undertaken by the Office. The breadth and depth of our work puts us in a unique position to compare the operations across the APS.

Financial Statement Audits

I am required to undertake the audits of the financial statements of all Commonwealth entities including those of government departments, statutory authorities and government business enterprises (GBEs) — some 260 entities in total.

Financial statement audits are an independent examination of the financial accounting and reporting of public sector entities. The results of the examination are presented in an audit report, which expresses the auditor's opinion on whether the financial statements as a whole and the information contained therein, fairly reflect the results of each entity's operation and its financial position. The disclosures and management representations made in the financial statements by the entity are assessed against relevant accounting standards, and legislative and other reporting requirements. All audits are conducted against the ANAO Auditing standards, which incorporate professional auditing standards.

In addition to undertaking financial statement audits, the ANAO delivers two reports annually to Parliament addressing the outcomes of the financial statement audit process. The first of these, Audit Report on the Interim Phase of the Audit of General Government Sector Entities provides an update of the ANAO's assessment of audit findings relating to the internal control structures of major entities, including governance arrangements, information systems and control procedures through to March of each year. The findings summarised in this report arise from the interim phase of the financial statement audits of major Australian Government reporting entities. This interim phase of an audit programme is designed to assess the reliance that can be placed on control structures to produce complete, accurate and valid information for financial reporting purposes.

The second report, Audits of the Financial Statements of Australian Government Entities complements the first report mentioned above, and provides a summary of the final audit results of the audits of the financial statements of all Australian Government reporting entities, including the Consolidated Financial Statements for the Australian Government. The audit findings in this second report are reported to the management of the entity, and to the responsible Minister(s).
Performance audits

Performance auditing examines the economy, the efficiency and the effectiveness of government programmes and organisations and answers questions such as:

- Do the inputs represent the most economical use of public funds?
- Are we getting the best services from available resources?
- Are the aims of the policy being fully met, and are the impacts the result of the policy?

The perspectives and the objects to be audited may vary and include both individual agencies as well as government-wide undertakings.

Although performance audits express opinions about the operations of agencies, performance auditing is not a regular audit with formalised opinions of the kind to be found appended to an agency’s financial statements. It is an examination made generally on an infrequent basis. It is an audit that focuses on performance rather than expenditure and accounting. It has its roots in the requirements for independent analyses of the economy, efficiency, and effectiveness of government programmes and organisations.

The special feature of performance auditing is partly due to the variety and complexity of questions related to its work. All government activities can be analysed to determine if they achieve their specific objectives. In performance auditing, this is often done by trying to answer two basic questions: Are things being done in the right way? Are the right things being done?

Performance audit reports assist government agencies to improve their performance. They also inform the Government and Parliament of the performance of government entities as well as assisting the Parliament in holding the Executive Government to account. The ANAO’s audit reports are also subject to examination by the JCPAA and other Committees of the Parliament.

Our performance audits cover a wide range of topics, including issues such as:

- integrity of electronic records in Centrelink;
- green procurement by government departments;
- a range of major Defence procurements;
- taxation administration;
- administration of selected government programmes;
- administration of grants;
- governance issues;
- compliance with the financial management framework;
- implementation of Job Network Employment Services Contract; and
- IT security.

We produce about 55 performance audit reports a year.
Auditing standards

All audits undertaken by the ANAO are carried out in accordance with the Australian Auditing and Assurance Standards. The Auditing and Assurance Standards set out the basic principles and essential procedures to be followed, together with related guidance promulgated by the auditing profession (CPA Australia and the Institute of Chartered Accountants in Australia). The inherent qualities of performance audits include: independence, integrity, objectivity, professional competence, due care and professional standards. In addition, audits are required to be undertaken ‘with an attitude of professional scepticism.’

The relevant standards that apply to performance auditing are:

- **AUS 806**—Performance Auditing which applies to all performance audits, that is, whether a report is published or not, whether the audit is undertaken in the private or public sectors, by an internal or external auditor, or as a one-off project or as part of an ongoing engagement.

- **AUS 808**—Planning Performance Auditing which provides guidance on planning a performance audit and makes the point that the audit mandate guides the planning process.

Further, within the family of standards issued by the accounting profession, is a framework for assurance engagements which is intended to cater for the growing assurance industry beyond the audits of financial statements. This material is noteworthy because it provides a framework by which an auditor, or other practitioner, expresses a conclusion on subjects other than financial statements.

Guidance on better practice

In meeting the ANAO's aim of promoting improved public sector management and accountability we produce a series of Better Practice Guides to bring together our experience, and industry experience, on a range of topics such as public sector governance, audit committees, contract management, developing policy advice, and administration of grants. Feedback indicates that these guides are useful and well accepted not only in the public sector but there is a deal of interest from the private sector as well.

In addition, the ANAO has recently commenced the newsletter ‘AuditFocus’ which is designed to distil key messages from recent audits for busy public sector executives.

We also play our part by participating in seminars and conferences to promulgate better practice and lessons learnt to a wider audience. We also provide our perspective on developments in accounting standards, particularly by commenting on exposure drafts issued by the standard setting boards and through our involvement in Australasian Council of Auditors-
General (ACAG), the Australian Auditing and Assurance Standards Board and the International Auditing and Assurance Standards Board.

Common themes highlighted by our work

Audit reports highlight:

- good process delivers good outcomes;
- the importance of organisational self-awareness;
- the importance of sound governance;
- The importance of sound risk management;
- The importance of regular reporting/monitoring;
- Investment up front is more cost-effective than ‘recovery action’
  - it can be tough when the spotlight stops on any organisation.
- In contracting out, ensure the incentives for the private sector are appropriately aligned to the programme or project objectives;
- Keep an eye on cost-shifting in other jurisdictions (monitor).

While in public administration today the application of generally accepted governance and risk management principles is no longer discretionary, there are a range of other influences which can make a positive difference to performance. They include:

- The interest of the CEO in good governance and good practices;
- Having the right skills (number and level);
- Being clear on expectations (and accountabilities)
  - encourage a culture of a self-evaluating/self-regulating system;
  - encourage Internal Audit to review your systems;
- Putting the blowtorch on critical assessments;
- Having an effective Audit Committee
  - having the Audit Committee review and refer relevant ANAO to programme managers;

Measuring the ANAO’s performance

The ANAO’s interaction with both individual parliamentarians and parliamentary committees provides the opportunity to ensure that performance and financial audit products and services are tailored to Parliament’s needs. The ANAO’s relationship with the Parliament is crucial to
our ability to maintain the quality and relevance of the ANAO’s audit products. I seek to be of assistance to the Parliament, and its Committees, and responsive to requests for audits that may be made of the Office.

As with other public sector organisations, the ANAO expects to be judged both by its results and the manner in which it achieves those results. The success of our approach to auditing, providing assurance to the Parliament and the Government and assisting government agencies is shown by the ANAO’s achievements over time against its key performance indicators, in particular, our clients’ satisfaction with the ANAO and its products. From my perspective, an important performance management and assessment mechanism to the ANAO is the independent surveys undertaken at the Parliamentary and agency level.

At one level is the face-to-face survey of parliamentarians and the JCPAA, undertaken bi-annually, to help ensure that the ANAO’s product mix is right. The results of the most recent survey of parliamentarians were very positive with key indices indicating that the Parliament acknowledges the value of the contribution of the ANAO.

At another level is feedback on the audit process using questionnaires and interviews independently sought from public sector entities after the tabling of each performance audit. This is one of the most direct and credible ways the ANAO has to test that its ongoing commitment to relationship management is achieving required results. The surveys show that agency managers continued to support the ANAO’s efforts in moving to a more ‘value adding’ approach.

Surveys also provide greater assurance that the ANAO continues to be able to respond to the challenges of the future, and that it has a shared understanding of appropriate standards of accountability to lead and guide agencies. The ANAO is also working on areas highlighted in the surveys where we can improve on our performance in terms of processes and presentation of audit findings. Examples include being more engaged with agencies as findings emerge and, from a parliamentarian’s perspective, publishing clearer criticisms where performance is poor.

**Dealing with an increasingly complex audit environment**

As a result of the introduction of international financial reporting standards, that impact both the public and private sectors, and the reduced financial reporting timeframes, public sector financial reporting is increasing in complexity. Of particular relevance is the requirement for entities to determine the financial systems and reporting implications of adopting the Australian Equivalents to International Financial Reporting Standards (AEIFRS) in 2005–06. The implementation of AEIFRS is a demanding exercise and we have assisted agencies, as appropriate, in this difficult and complex reporting environment. In addition, as auditing standards expand, auditors face greater challenges in providing assurance relating to the true and fair presentations of financial statements.
To meet these increased demands we are continually refining our audit approach which is based on identifying business and financial statement risk, understanding key business processes that generate significant accounts, and testing the controls we consider are important to reduce risk. Our audit methodology adopts a continuous audit approach thereby ensuring we continually reassess and adapt our audit approach to reflect any changes in the environment.

There are also challenges on the performance audit side with the increasing complexity of public administration and the Parliament’s expectation that the ANAO will examine areas where there may be limitations in public administration. Our audit planning is risk based to reflect this expectation, however the ANAO does not only focus on issues that ‘stand out’ we also report on areas where programme administration works well.

In the current climate, retaining professional audit staff continues to be a challenge, particularly as our staff are well regarded and sought after. There is a particular demand for accountants which, in part, is driven by recent changes to the taxation system and the implementation of International Financial Reporting Standards (IFRS). However, the ANAO provides a good opportunity for young accountants to gain experience and broaden their accounting and auditing skills, this and the good learning and career development opportunities provided by the Office we plan to improve our ability to attract and retain quality staff.

An important professional role the ANAO plays both nationally and internationally is contributing to the development of auditing standards, professional practices and exchanges of experience through participation in the organisations such as the International Organisation of Supreme Audit Institutions (INTOSAI); Asian Organisation of Supreme Audit Institutions (ASOSAI); and the International Auditing and Assurance Standards Board (IAASB).

It is important that the ANAO continues to contribute its experiences and expertise to developments in auditing nationally and internationally to enhance the quality of auditing and strengthen relationships.

The ANAO is also taking on new and important international responsibilities such as our involvement with the Australian-Indonesian Partnership for Reconstruction and Development (AIRPD) announced by the Prime Minster and Indonesian President on 5 January 2005. The ANAO has accepted an invitation to be a member of the Indonesian Audit Office’s (BPK) advisory board and to assist the BPK with enhancing its capacity and capability to audit the management of international donor funding. I have recently returned from attending the inaugural meeting of the Advisory Board.
Concluding Remarks

Let me conclude by reinforcing the importance of Auditor-General’s role in informing the Government, and particularly the Parliament, on the state of public administration. I also accept that the ANAO has a responsibility to improve public administration, and the recommendations arising from our work, our Better Practice Guides, and our newsletters, are designed to do this. Also, to reinforce the importance of the independence of the Office of the Auditor-General in fulfilling this role (derived from the Auditor-General Act 1997 and being ‘an independent officer of the Parliament’).

My aim is that, through the work of the ANAO, we are an organisation that is well respected by Parliament, the JCPAA and public sector entities, and a public sector generally. We achieve this by working hard to obtain a good understanding of the entity/programmes we audit and how the risks to good performance are managed. We maintain an attitude of ‘professional scepticism’ (consistent with the requirements of the Auditing Standards) and require evidence that supports the entity’s position. We report independently and objectively on the findings, but also make recommendations for improvements where applicable. We are responsive to the Parliament and the JCPAA.

Thank you again for your invitation to address you today.

Notes:

1 Wanna, John, Ryan, Christine & Chew Ng, 2001, From Accounting to Accountability, Allen & Unwin, p 6
2 Hansard 19 June 1901:1248 as reported in Wanna, John, Ryan, Christine & Chew Ng, 2001, From Accounting to Accountability, Op cit, pp 6-7