

Australian National Audit Office

ANNUAL REPORT 2024–25

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11 September 2025

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

Dear President
Dear Mr 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 2025.

As required by Rule 10 and subsection 17AG(2) of the Public Governance, Performance and Accountability Rule 2014, I certify that:

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

Following the tabling of the Australian National Audit Office Annual Report 2024–25, the report will be available on the ANAO’s website, anao.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Caralee', with a stylized, flowing script.

Dr Caralee McLiesh PSM
Auditor-General

About this report

This annual report documents the performance of the Australian National Audit Office (ANAO) in the financial year ended 30 June 2025.

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 2024–25 and in the ANAO Corporate Plan 2024–25; 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 role and functions, its organisational structure, outcomes and programs and Accountable Authority and its key relationships, including with the Parliament.

Part 3 outlines our performance framework and provides the ANAO's report on performance for 2024–25, consisting of our annual performance statements and the report on financial performance.

Part 4 provides information on the ANAO's arrangements for management and accountability.

The **appendices** contain reporting information on 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.

Other ANAO publications, as well as information about the ANAO, are available on the ANAO's website at anao.gov.au.

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Part 1 — Foreword by the Auditor-General

I am pleased to present my first annual report to the Parliament as Auditor-General for Australia.

The Australian National Audit Office (ANAO) faced several transitions in 2024–25, with the election of the 48th Parliament of Australia in May 2025, my appointment as Auditor-General for Australia in November 2024, and new appointments to several ANAO senior leadership roles during the year.

Our work continued to be shaped by broader trends in the Australian public sector — from a focus on integrity and the delivery of government priorities, to the rapid emergence of new technologies, fiscal pressures, and policies to address climate change. Global developments during the year, including heightened economic uncertainty, shifts in the geopolitical landscape and increased cyber and national security threats, affected risk and activity in the public sector and, therefore, the ANAO in its work as the government’s auditor.

In this environment, the role of trusted, independent oversight of government sector activity is as important as ever. Since its establishment in 1901, the role of Auditor-General has contributed to transparency, accountability and improved performance in the Australian Government sector. The *Audit Act 1901* envisaged audit as a way to safeguard ‘that the work of Government be properly carried on’. Effective audit services strengthen the integrity of government institutions and are an important part of Australia’s Westminster system of democracy. They build trust and confidence in the government sector, which is essential to addressing the challenges and opportunities Australia faces.

Our audit work

The 2024–25 reporting period saw the ANAO continue to fulfill the Auditor-General’s mandate under the *Auditor-General Act 1997* through the delivery of high-quality reporting across financial and non-financial performance in Australian Government entities. As at 30 June 2025, the ANAO delivered:

- audit opinions for 244 annual financial statements of Commonwealth entities, Commonwealth companies and their subsidiaries and for the consolidated 2023–24 financial statements;
- audit opinions for 14 annual performance statements and performance measures of material Commonwealth entities;
- 44 performance audits and one priority assurance review, the 2023–24 Major Projects Report;
- 51 other audit services as required by other legislation or allowed under section 20 of the Act;
- four reports summarising our audit activities across financial statements, performance statements and performance audits, drawing out themes and lessons for the sector; and
- one report summarising audit work undertaken by the ANAO on public sector delivery during the COVID-19 pandemic.

In 2024–25, the ANAO issued 243 unmodified opinions and one modified opinion in the 2023–24 financial statements audits. A total of 214 audit findings were reported to entities (2022–23: 196). These comprised six significant, 46 moderate, and 147 minor audit findings, as well as 15 legislative breaches. Weakness in IT controls continued to be the most prevalent finding, including deficiencies in IT security, change management and user access controls. The next most frequently observed category of findings

related to compliance and quality assurance frameworks, including legal conformance, followed by accounting and control of non-financial assets.¹

The results from the 2023–24 performance statements audits were mixed, with 9 of the 14 auditees receiving an unmodified audit opinion and 5 receiving a modified audit opinion. The two broad reasons underlying the modified opinions were a lack of completeness of performance information, and insufficient evidence.

Since the start of the performance statements audits four years ago, the ANAO has observed stronger compliance with legal requirements and greater reliability of measures. In entities with repeat audits, we saw fewer findings and growing measures of maturity in performance management systems, including improved governance and established and empowered central performance teams. There remains substantial opportunity for improvement in performance statements, including the need for more meaningful reporting, measurement of efficiency and productivity, and reporting on cross-entity measures.²

Across the 44 performance audits published in 2024–25, a continued theme was the need for the public sector to maintain its focus on integrity, including ‘getting the basics right’ by adhering to applicable policies, frameworks and laws. Opportunities for greater stewardship — by keeping governance and frameworks fit-for-purpose — as well as strengthening risk management, performance monitoring and management were also common themes.

Our performance audits have driven improvements in public sector performance. More than 96 per cent of ANAO recommendations were agreed to by audited entities, and more than 80 per cent of recommendations have been implemented within 24 months of reports being presented. Performance audits have also led to changes in frameworks that apply across the public sector. During 2024, for example, 22 per cent of changes in the Commonwealth Procurement Rules related to recommendations made by the ANAO.

Underpinning all our audit work is an enduring focus on quality, which is critical in supporting the integrity of our audit reports and maintaining the confidence of the Parliament, government entities and the public. In July 2024, we published the ANAO Quality Management Framework and Plan 2024–25, which sets out our system of quality management. This provides the Auditor-General with reasonable assurance that the ANAO complies with the ANAO Auditing Standards and applicable legal and regulatory requirements, and that the ANAO’s reports are appropriate. In November 2024, we reported on the implementation of the ANAO Quality Management Framework 2023–24 in the Audit Quality Report 2023–24. In that report the Acting Auditor-General concluded that the ANAO Quality Management Framework was operating effectively for the year ended 30 June 2024.

Engaging for impact

The Auditor-General’s reports and audit opinions are a source of evidence-based, independent information for the Parliament to draw upon in exercising its critical accountability and oversight functions. The ANAO’s key interaction with the Parliament is through the Joint Committee of Public Accounts and Audit (JCPAA). Based on our audit work, throughout 2024–25 the JCPAA commenced four inquiries and tabled seven reports. The ANAO also provided one submission to assist the committee in its

1 [Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2024](#) | ANAO.

2 [Performance Statements Auditing in the Commonwealth — Outcomes from the 2023–24 Audit Program](#) | ANAO.

inquiry into the use and governance of artificial intelligence systems by public sector entities, which is a rapidly evolving area of public sector activity and a priority focus for the ANAO.

Throughout the year, the ANAO continued to support the Parliament through briefings to Senate estimates committees and providing submissions on our work to other committees. Following the election of the 48th Parliament, the ANAO prepared briefings for new members of parliament and an incoming JCPAA, with a view to maintaining our trusted and constructive relationships with the Parliament to assist its scrutiny of public administration.

Engagement with the public sector is another important way for our work to have impact. During the year, the ANAO published six *Audit Insights* reports, which highlight good practices and common pitfalls we observe in audited entities to help them benefit from the lessons in our work. We also launched a new publication *Audit Matters*, which is a quarterly newsletter for key public sector stakeholders with updates on the ANAO's work and insights on our findings. Our senior leaders presented our work at a range of public and private sector events and to audited entities, with positive feedback from participants. Our twice-yearly seminars for government entity audit committee chairs and finance and performance professionals were also well-attended and well-received — we use these as a way of sharing lessons from our audits.

The ANAO is respected and active in national and international audit circles. Engagement with peers provides an opportunity to benchmark our position, understand strengths and gaps in our audit capability and technologies, and inform how we might achieve greater impact. During the year, our participation in the International Organization of Supreme Audit Institutions (INTOSAI), and the Australasian Council of Auditors-General (ACAG) has been valuable in informing our approaches on shared interests such as audit office independence, auditing of climate change disclosures and the use of technology and AI in auditing. The ANAO has close working relationships with audit office partners in Indonesia and Papua New Guinea as part of government-funded capability programs. These relationships enable us to contribute to capability development and learn new approaches.

Our people

Our people have made everything we've achieved in 2024–25 possible. We are proud to be a highly professional workforce of curious, ethical and critical thinkers who share a strong commitment to our purpose. The 2024 APS Employee Census results indicate that 92 per cent of staff believe strongly in the purpose and objectives of the ANAO and 97 per cent agreed they understand how their role contributes to achieving an outcome for the Australian public. With a 93 per cent response rate we can rely on the results as truly representative.

Our Census Action Plan identified focus areas of improvement: supporting the health and wellbeing of our staff, and supporting diversity and inclusion to drive a more innovative and collaborative workforce. A range of initiatives were implemented in these areas, including establishment of the ANAO Diversity and Inclusion Council.

Across the year we made considerable progress in our workforce plan, including enhancements to the graduate development program, improvements to recruitment and onboarding processes, and expansion in our training and talent development offerings. Our staff attrition fell from 22.3 per cent at 30 June 2024 to 14.8 per cent at 30 June 2025.

Our culture is underpinned by our core values of integrity, excellence and respect — which are critical in sustaining the confidence of the Parliament, strengthening public trust in government and delivering quality audit products. The ANAO maintains an enduring focus on embedding our values in our work and

culture and the behaviours of our people. In November 2024, the ANAO published the ANAO Integrity Framework 2024–25 and our report against the framework in the previous year. The framework serves to assist our people in ethical decision-making and risk, fraud and misconduct management, and strengthens our culture of integrity.

Independence

A key part of the success of the role of the Auditor-General is institutional settings that support independence. Independence of the Auditor-General to conduct and report on audit work without restriction is an important element of the democratic process, as it helps ensure that the Parliament is presented with frank and fearless audit opinions.

The JCPAA's 2022 *Report 491 Review of the Auditor-General Act 1997* recommended changes to preserve and enhance the Auditor-General's independence and mandate. These included enabling the Auditor-General to undertake audits of performance statements and government business enterprises at their discretion, rather than upon executive or parliamentary request, and clarifying the scope of entities subject to audit by the Auditor-General. The legislation also does not currently support efficient access to some records in an increasingly digital world. Limitations such as these can undermine transparency and accountability of the executive government to the Parliament.

In 2024–25 the ANAO participated in an ACAG exercise to benchmark legislation in Australasian jurisdictions against INTOSAI principles of audit independence. I look forward to the results of this survey in 2025–26, as well as to the government's response to the recommendations of the JCPAA to further protect the independence of my office and support efficiency and quality in the audit process.

Sustainable funding is also central to audit independence. The ANAO recorded a loss of \$5.3 million in 2024–25, which is broadly in line with losses over the last five years. While losses have been supported by accumulated reserves, going forward the remaining reserves are required to fund employee liabilities.

During 2024–25 the ANAO acted to right-size our work within the budget available to us. We revised our target number of performance audits for 2024–25 from 48 — the number the Parliament has requested — to 44, and further reduced our target for 2025–26 to a range of 38 to 42. Using automation, streamlining our business processes and astutely applying risk to our audit processes are focus areas further developed through 2024–25 that will drive efficiency and performance in forward years.

In its 2025–26 Budget Day Statement, the JCPAA observed 'the current funding model for ANAO is simply not sustainable due to the continuing and growing cost pressures it is facing from increasingly more expensive financial statements audits, essential technological upgrades, and increased compliance and regulatory demands' and that it 'has been concerned over many successive Parliamentary terms by the unsustainability of ANAO's long term financial position and the risks that this poses to its operational independence and its ability to effectively perform its vital statutory roles.' Achieving a sustainable funding model that supports the Parliament in exercising its accountability functions is a priority for the ANAO for 2025–26.

Looking ahead

In July 2025 we published the ANAO's 'strategy on a page' in the ANAO Corporate Plan 2025–26. The strategy was developed in collaboration with staff through workshops and other input, and with consideration of stakeholder feedback.

Our purpose and the outcome we seek is enduring: to improve public sector performance and accountability through independent reporting on Australian Government administration to Parliament, the Executive, and the public. Over the next 4 years we aim to achieve this with three strategic priorities:

- *Impact where it matters* — keeping our purpose at the heart of all we do, and ensuring our work supports the Parliament and contributes to meaningful improvement across the public sector.
- *Performance through innovation* — focusing on how we improve by embracing change, using data and technology wisely, and finding smarter ways to deliver high-quality audit work.
- *Inspire and develop our people* — recognising that everything we achieve depends on the capability, diversity and wellbeing of our workforce.

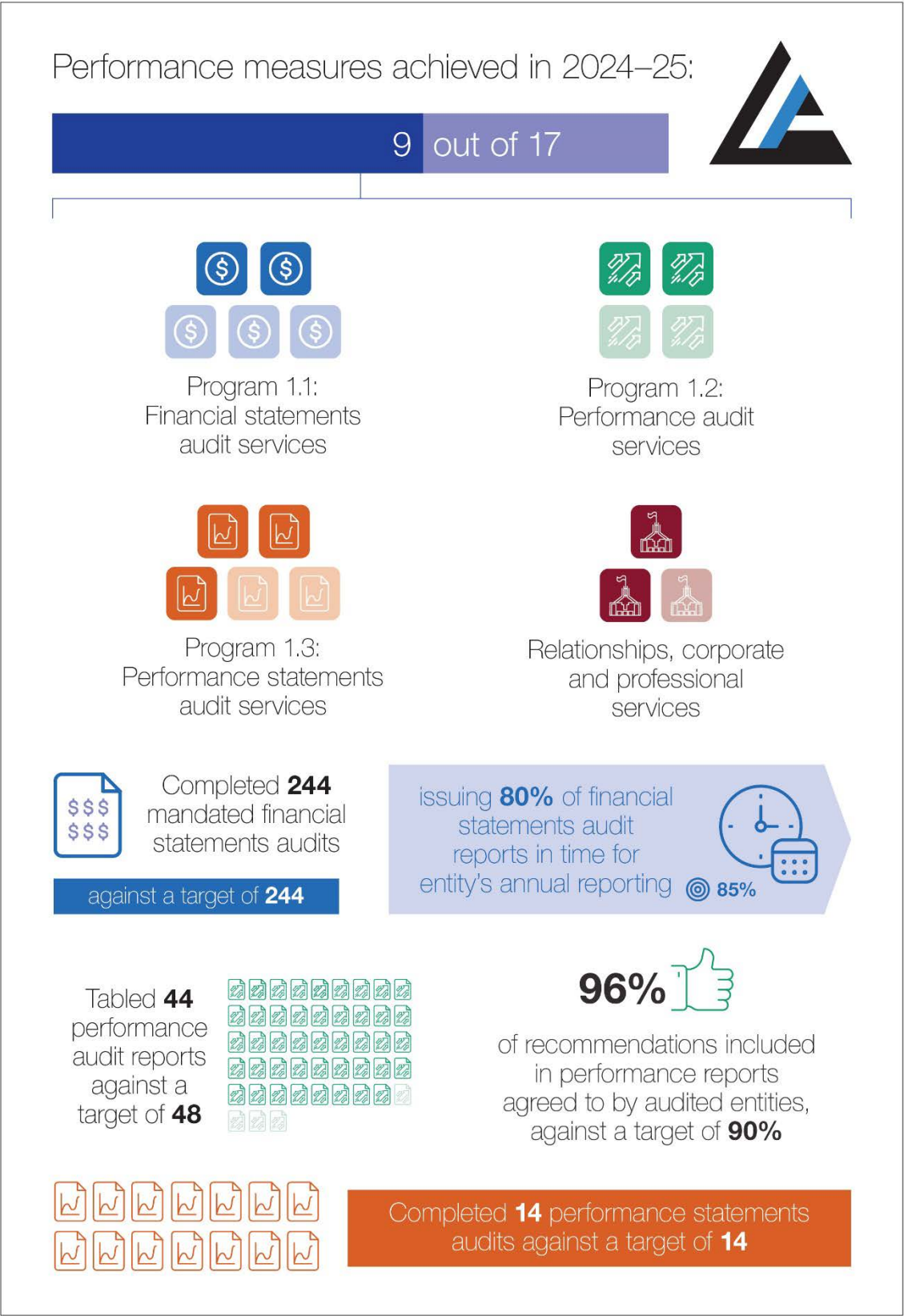
In the year ahead we have an ambitious program to implement these priorities, while delivering on our core business and adapting to changes including new technologies, a tighter budget, requirements to audit climate disclosures and shifts in risk and performance in the public sector. I am confident that we will grasp the opportunities that this presents.

It is a privilege to lead the ANAO into the future. I am grateful to have come to an organisation that is highly professional and capable, and I pay tribute to past auditors-general and leaders of the ANAO for their stewardship. In particular, I thank Ms Rona Mellor PSM as the Acting Auditor-General prior to my appointment and the ANAO's Executive Board of Management, for their leadership and support to me as I took up my appointment.

I look forward to working closely with our ANAO team, the Parliament, the public sector and our stakeholders throughout my term.

Dr Caralee McLiesh PSM
Auditor-General

Summary of results against the ANAO’s 2024–25 performance measures



Part 2 — Overview of the ANAO

This part provides an overview of the ANAO's purpose, role and values, our organisational structure, and our relationships with the 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. The ANAO 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. Consistent with the core principles of independence, while the ANAO resides within the Prime Minister and Cabinet portfolio, the usual relationship between ministers and their portfolio agency heads does not apply to the work of the Auditor-General and the ANAO.

Role and functions

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*. 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 *Auditor-General Act 1997* (the Act), the Auditor-General's functions include:

- auditing the annual financial statements of Commonwealth entities, Commonwealth companies and their subsidiaries, and the consolidated financial statements;
- conducting performance audits and assurance reviews;
- auditing the annual performance statements and performance measures of Commonwealth entities and Commonwealth companies and their subsidiaries;
- conducting a performance audit of a Commonwealth partner as described in 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 that comes to the attention of the Auditor-General.

The ANAO supports the Auditor-General in delivering the functions.

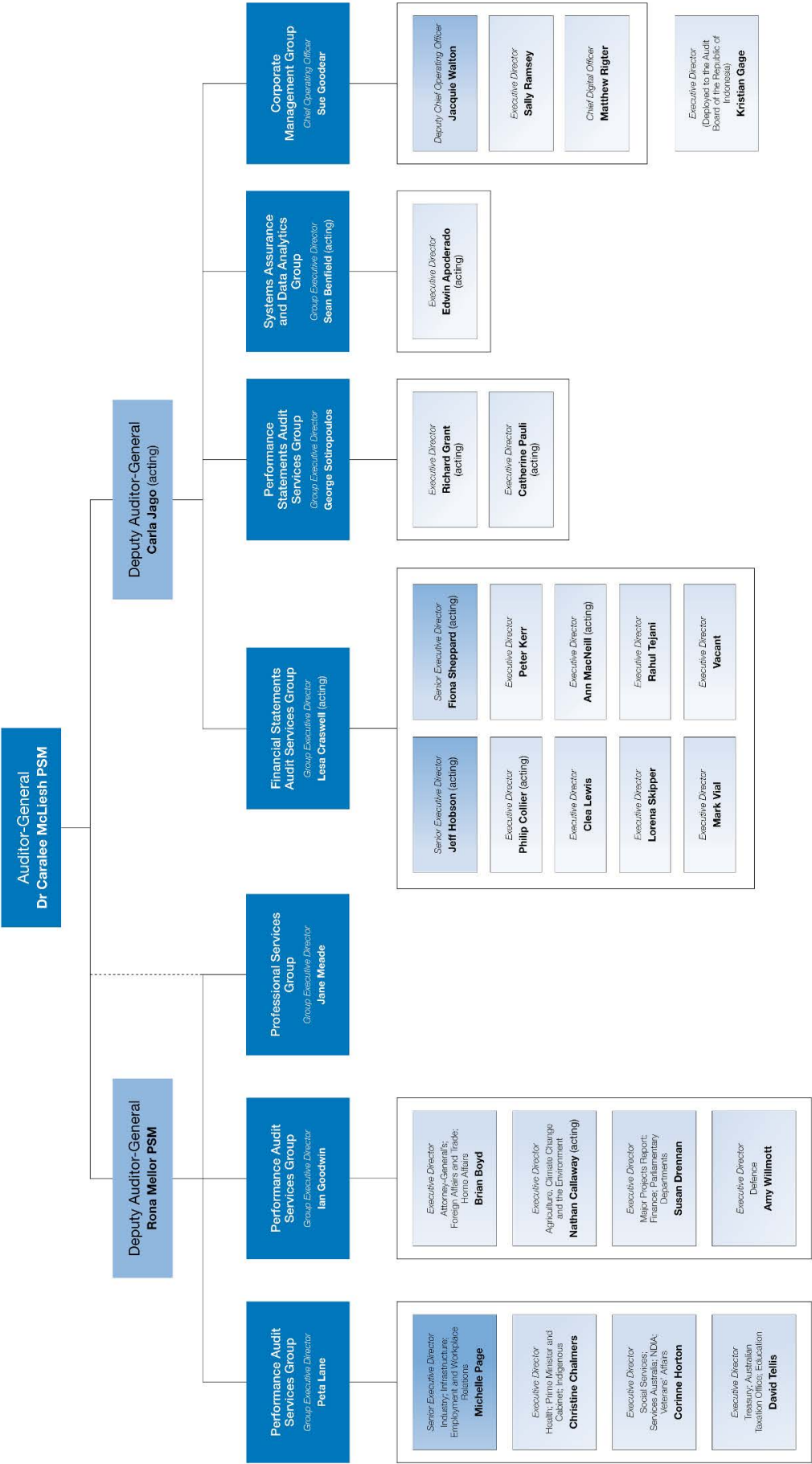
Organisational structure

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

- **Corporate Management Group** leads corporate strategy and operations for the ANAO. It provides enabling services based on specialised knowledge in the areas of finance, human resources, information technology, governance, communications, change management, legal support and the management of the ANAO's external relations.
- **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 performance measures.
- **Professional Services Group** provides technical accounting and 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 data analytics support to the ANAO's full range of audit work, develops automated solutions to improve audit delivery and undertakes IT auditing including security of entity IT controls.

The ANAO's organisational structure at 30 June 2025 is shown in Figure 2.1.

Figure 2.1: Organisational structure, at 30 June 2025



Outcomes and programs

The Australian National Audit Office has one outcome:

To improve public sector performance and accountability through independent reporting on Australian Government administration to Parliament, the Executive and the public.

The three programs (comprising three activities) and one area of shared activity that contribute to achieving our purpose are:

- Program 1.1 — Financial statements audit services;
- Program 1.2 — Performance audit services;
- Program 1.3 — Performance statements audit services; and
- Relationships and corporate and professional services.

The deliverables and achievements for these programs are supported by shared enabling activities — relationships, corporate and professional services — discussed in detail in Part 3.

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 in accordance with the *Auditor-General Act 1997*, 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.

Figure 2.2: Our purpose

Our purpose

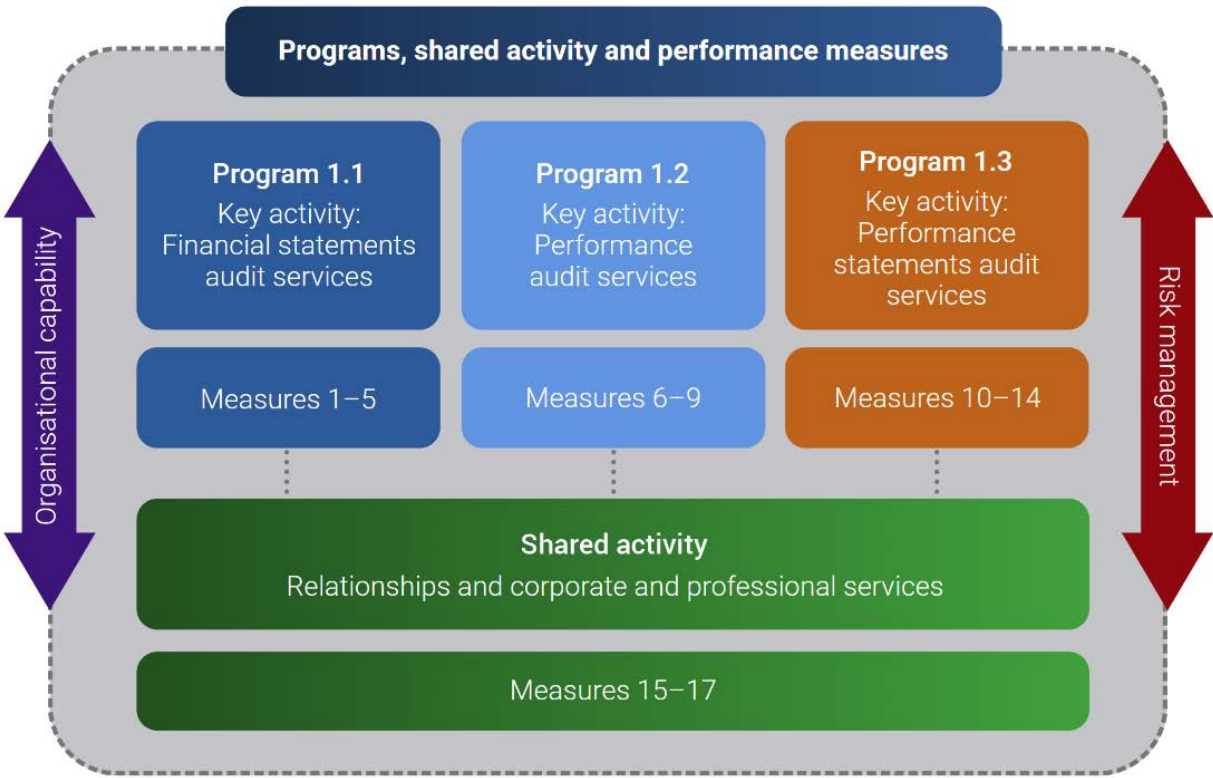
The purpose of the Australian National Audit Office (ANAO) is to support accountability and transparency in the Australian Government sector through independent reporting to the Parliament, and thereby contribute to improved public sector performance.

The Auditor-General is assisted by the ANAO in delivering against the mandate established by the *Auditor-General Act 1997*.

Our outcome

To improve public sector performance and accountability through independent reporting on Australian Government administration to Parliament, the Executive and the public.

Our performance



Accountable authority

The Auditor-General is the accountable authority for the Australian National Audit Office.

During 2024–25:

- Ms Rona Mellor PSM was the Acting Auditor-General for Australia from 1 July 2024 to 3 November 2024; and
- Dr Caralee McLiesh PSM commenced as the Auditor-General for Australia on 4 November 2024.

Supporting the Parliament

In pursuing its purpose, the ANAO maintains key relationships with the Parliament, as described below. The ANAO's engagement strategies detail our approach to key relationships with the Parliament.

The [ANAO website](#) contains further information about the ANAO's relationship with the Parliament.

Parliament

The ANAO's primary relationship is with the 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 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 — in the form 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 and was dissolved on 28 March 2025 with the proroguing of the Parliament.

The JCPAA commenced four inquiries reviewing Auditor-General reports throughout 2024–25 and tabled seven reports. An outline of inquiries and JCPAA reports is provided in Table 3A.2.

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) going to matters related to independence and interaction of the *Auditor-General Act 1997* with other legislation. At 30 June 2025, the ANAO had completed addressing five of the six recommendations directed to it. The final recommendation was addressed by the ANAO in an update to the ANAO Audit Manual approved by the Auditor-General in July 2025. At 30 June 2025, the government had not yet presented its response to other recommendations made in this review.

In 2024–25, ANAO officers provided a total of five private briefings, attended 12 public hearings and made one submission to assist the committee in undertaking its 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 2025 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 2024 to 30 June 2025 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 2024 to 30 June 2025
- 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 2024 to 30 June 2025, 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 2024 to 30 June 2025.

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 2024 to 30 June 2025 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 2024 to 30 June 2025 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.

INDEPENDENT ASSURANCE REPORT TO THE PRESIDENT OF THE SENATE AND SPEAKER OF THE HOUSE OF REPRESENTATIVES (CONTINUED)

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 2024 to 30 June 2025, 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 2024 to 30 June 2025 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 20th day of August 2025

Liability limited by a scheme approved under Professional Standards Legislation

Annual performance statements

As the Accountable Authority of the Australian National Audit Office (ANAO), I present the 2024–25 annual performance statements as required under paragraph 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 opinions, these annual performance statements are based on properly maintained records, accurately present the ANAO's performance in the reporting period and comply with subsection 39(2) of the PGPA Act.

A handwritten signature in black ink, appearing to read 'Caralee', with a large, stylized initial 'C'.

Dr Caralee McLiesh
Auditor-General for Australia
20 August 2025

Analysis of our performance in achieving our 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 recognises that good performance information should provide insight into not only what we do, and the efficiency and quality of our work, but also its impact. These performance statements report against a set of measures that are outlined in the ANAO's Portfolio Budget Statements (PBS) 2024–25 and the ANAO's 2024–25 Corporate Plan. This set of measures is intended to tell a story of the ANAO's achievement against its purpose for the 2024–25 financial year.

Overall, in 2024–25, the ANAO achieved nine performance measures out of 17, a decrease from the number of performance outcomes achieved in 2023–24 (12 measures):

- For Program 1.1: Financial Statements Audit Services, two out of five measures were met.
- For Program 1.2: Performance Audit Services, two out of four measures were met.
- For Program 1.3: Performance Statements Audit Services, three 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 2024–25 having regard to the priorities and interests of the Parliament and providing a balanced program of activity that was informed by risk and ANAO resourcing.

The *Auditor-General Act 1997* (the Act) establishes mandatory and non-mandatory audit functions. Mandatory audit work includes auditing the annual financial statements of Commonwealth entities, and Commonwealth companies and their subsidiaries (section 11 of the Act) and auditing the annual consolidated financial statements in accordance with the PGPA Act (section 12 of the Act). All mandatory audits were delivered by the ANAO.

The ANAO also issued auditor's reports on the annual performance statements of 14 Commonwealth entities in accordance with section 40 the PGPA Act. This program of work was delivered as requested by the Minister for Finance.

In 2024–25, the ANAO presented 44 performance audits for tabling in the Parliament. This was short of the target of 48 performance audits set out in the 2024–25 Corporate Plan and 2024–25 PBS. During 2024–25, the ANAO determined that to appropriately target the ANAO's available resources to the areas of highest priority this target could not be met. The ANAO identified in its 2025–26 PBS that the 2024–25 target of 48 performance audits being presented to the Parliament would not be achieved and that the ANAO expected to present 44 performance audit reports for tabling in 2024–25, with the target for 2025–26 and future years set at between 38 and 42.

One way in which the ANAO contributes to public sector performance is through the provision of audit findings and recommendations to entities based on insights during the conduct of audits. Across all audit products (programs 1.1, 1.2 and 1.3) the ANAO met the targets for entities agreeing with audit findings and recommendations. Programs 1.2 and 1.3 also met the target for the timeliness of the implementation of findings and recommendations by entities across performance audit and performance statements audits. The target for implementation was not met for financial statements audits. Of the 13 significant and moderate findings raised in the 2021–22 financial statements audit cycle (that was finalised in 2022–23), six had been addressed within the 24-month window. In addition, there were 22 significant and moderate findings raised in the 2022–23 audit

cycle and four significant and moderate findings raised in the 2023–24 audit cycle for material entities that were addressed by the conclusion of the 2023–24 audit cycle.

There were two common areas across three programs where we did not meet five targets. These areas relate to the issuance of audit reports in time to meet entity annual reporting timeframes (programs 1.1 and 1.3) and the average cost of audits not increasing from the prior year (programs 1.1, 1.2 and 1.3). Factors that contributed to not achieving these targets included the following:

- There were delays in entities providing the ANAO with auditable financial statements and/or performance statements within the agreed timeframe, resulting in the delayed issuance of auditor's reports.
- The timeliness of financial statements auditor's reports was also impacted by an increase in the number of audit findings and legislative breaches identified by the ANAO, as well as limitations on the available resources within the ANAO in order to undertake additional audit procedures in response to these findings.
- The average cost of financial statements audits was impacted by the need to conduct additional audit work as a result of ongoing weaknesses in entity IT system controls and rising market costs for contracted audit work and specialists.
- The increase in the average cost of performance statements audits reflects the additional resources and start-up effort required for the four first-year audits finalised in 2024–25 as well as the size and complexity of the four new audited entities, being the Australian Taxation Office, the Department of Foreign Affairs and Trade, the Department of Home Affairs and the National Disability Insurance Agency.
- The increase in the average cost of a performance audit can be primarily attributed to the complexity of the audits and a new topic not previously covered in the emerging field of artificial intelligence requiring additional senior staff time.

During 2025–26, the ANAO will be reviewing its audit approaches and methodologies to assess whether efficiencies in conduct of audits can be achieved, to support both the timeliness and cost of audits. Areas of particular focus will be the continuing evolution of the ANAO's methodology and audit approach for performance statements auditing, supporting staff to apply a risk-based approach to auditing and considering whether there are more efficient approaches to resourcing our audit products.

Measure 15, which was met, provides feedback on the ANAO's key relationship — our relationship with the Parliament. This measure helps to assess whether we are supporting the Parliament to effectively carry out its functions on the operations of the Australian Government sector. This area of activity contributes to achieving the ANAO's purpose through facilitating dissemination of the ANAO's findings to members of parliament, the executive and the public.

Measure 16, which was not met, is focused on additional activities and services that the ANAO delivers, other than audits, to support the Australian Government sector to improve public sector performance. In 2024–25, the ANAO met four of the five mechanisms that comprise measure 16, including presenting reports to the Parliament on the results of ANAO financial and performance statements audit work, the publication of four Insights 'audit lessons' publications, the observation of improvements in entities' administrative and management processes during audit work, and positive feedback from entities on the impact of audits. Reporting mechanism 2 was not met, and therefore the overall measure was not achieved, because one audit of the 52 audits or reviews the ANAO agreed to undertake under section 20 of the *Auditor-General Act 1997* — the audit of the

Norfolk Island Health and Residential Aged Care Service — could not be completed as the financial statements were not available for audit.

In 2024–25, the ANAO met measure 17, which helps us to assess whether the ANAO’s work is being delivered in accordance with defined quality standards. Quality is a key area of management focus as quality in the delivery of the ANAO’s audit services is critical in supporting the integrity and reliability of audit reports and maintaining the confidence of the Parliament and public sector entities.

Changes to our performance framework

The ANAO Corporate Plan 2024–25 was updated after its initial publication to amend measure 1 to report on the percentage of audit reports issued rather than the number issued. This was to reflect that the number of entities can change during the reporting period based on decisions of the Australian Government. The original target included in the ANAO Corporate Plan 2024–25 was the delivery of 245 mandated financial statement audits. The target was amended to the delivery of 100 per cent of mandated audits.

In 2024–25 the ANAO reviewed its set of performance measures. Our focus has been on how we move from largely measuring outputs and counting our achievements to demonstrating our effectiveness and impact, with the aim of improving the performance story we can provide to the Parliament. The ANAO Corporate Plan 2025–26 sets out how we have initially redefined our performance framework to better measure and assess the impact of our work. The corporate plan also sets out revised targets as foreshadowed in the ANAO’s PBS 2025–26.

Further consideration of our framework of performance measures is anticipated for future reporting periods.

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. In the public sector, the users of financial statements include ministers, the Parliament, and the community. The preparation of timely and accurate audited financial statements is also 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 financial statements audits contribute to improvements in the financial administration of Australian Government entities.

The Auditor-General presents information 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*, provides 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:

- percentage of mandated financial statements audit reports issued as required;
- percentage of mandated financial statements audit reports issued in time to meet entity annual reporting timeframes;
- average cost of a financial statements audit does not increase from the prior year;
- 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	Percentage of mandated financial statements audit reports issued as required	
Source	ANAO Corporate Plan 2024–25 Portfolio Budget Statements 2024–25, Program 1.1, p. 96	
Result	Achieved a result of 100% against a target of 100%	MET

The percentage 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 percentage of those reports issued.

During 2024–25, the ANAO completed all of the 244 mandated financial statements audits for the year ended 30 June 2024³. This included the consolidated financial statements of the Australian Government. The corporate plan was updated after its initial publication to amend this measure to report on the percentage of audit reports issued rather than a number issued, to reflect that the number of entities can change during the period based on decisions of the Australian Government. The original target included in the ANAO Corporate Plan 2024–25 was the delivery of 245 mandated financial statement audits. The target was amended to the delivery of 100 per cent of mandated audits.

Details of issues identified during the financial statements audits are included in Auditor-General Report No.22 2024–25 [Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2024](#).

3 The Australian National University and its subsidiaries report on a calendar year basis so this measure includes the auditor's reports issued for the year ended 31 December 2024.

Measure 2	Percentage of mandated financial statements audit reports issued in time to meet entity annual reporting timeframes	
Source	ANAO Corporate Plan 2024–25 Portfolio Budget Statements 2024–25, Program 1.1, p. 96	
Result	Achieved a result of 80.33% against a target of 85%	NOT MET

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 a 30 June year end, and the consolidated financial statements (CFS) by 30 November each year. These deadlines for audit-cleared information are 15 August for entities classified by the Department of Finance as material to the CFS and 30 August for entities that are classified as not material to the CFS. The CFS 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 71 per cent of entities delivered financial statements in line with an agreed timetable. The timeliness of auditor's reports was impacted by an increase in the number of audit findings and legislative breaches identified by the ANAO, as well as limitations on the available resources within the ANAO to undertake additional audit procedures in response to these findings.

The total number of adjusted and unadjusted audit differences decreased during the 2023–24 audits that were finalised in 2024–25, although 38 per cent of audit differences remained unadjusted. The quantity and value of adjusted and unadjusted audit differences indicate there remains an opportunity for entities to improve quality assurance frameworks over financial statements processes.

Timeliness of tabling of entity annual reports improved. Department of Finance guidance indicates 'Normally annual reports are tabled on or before 31 October and it is expected annual reports are tabled prior to the October Estimates Hearings. This ensures annual reports are available for scrutiny by the relevant Senate standing committee'.⁴ Ninety-three per cent (2022–23: 66 per cent) of entities that are required to table an annual report in Parliament tabled prior to the date that the portfolio's supplementary budget estimates hearing commenced. Supplementary estimates hearings were held one week later in 2023–24 than in 2022–23. Fifty-seven per cent of entities tabled annual reports one week or more before the hearing (2022–23: 12 per cent). Of the entities required to table an annual report, four per cent (2022–23: six per cent) had not tabled an annual report as at 9 December 2024.

4 Department of Finance, Resource Management Guide No. 135: [Annual reports for non-corporate Commonwealth entities](#), [accessed 19 August 2025].

Measure 3	Average cost of a financial statements audit does not increase from the prior year	
Source	ANAO Corporate Plan 2024–25 Portfolio Budget Statements 2024–25, Program 1.1, p. 96	
Result	Achieved a result of 5.86% against a target of 0%	NOT MET

Delivering cost-effective audits is one way the ANAO can demonstrate the efficient use of public money in our work. This measure captures the average cost of delivering mandated financial statements audits and allows comparison over time. The cost of an audit is calculated by multiplying the hours that each level of staff worked on that audit by a charge-out rate that is set for each staffing level, and then adding any direct supplier costs. The charge-out rates are set to recover the direct costs of those staff working on the audit and the overhead cost of supporting those staff.

The average cost of a financial statements audit for the 2023–24 audit cycle completed in 2024–25 was \$187,212. The average cost for the 2022–23 audit cycle completed in 2023–24 was \$176,842, representing a 5.86 per cent increase in 2024–25 (Table 3.1). The increase was mainly driven by:

- the complexity of audits, particularly in relation to complex financial transactions including loan and equity arrangements and asset valuations;
- the increase in the number of audit findings and the effort involved in undertaking additional audit procedures to address the identified risk and to assess the resolution of the findings; and
- an increase in the identification of prior period errors.

Table 3.1 Cost of financial statements audits, 2021–22 to 2023–24 audit cycles

Audit cycle	Percentage increase Target (%)	Average cost per mandated audit (\$) ^a	Range of audit fees charged (\$)	Actual result (%)
2023–24	0	187,212	2,000–3,890,000	+5.86
2022–23	0	176,842	2,000–3,500,000	+4.42
2021–22	0	169,350	5,500–3,675,000	+4.97

Note a: 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 2024–25 Portfolio Budget Statements 2024–25, Program 1.1, p. 96	
Result	Achieved a result of 100% against a target of 90%	MET

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 all identified issues are reported to each audited entity, significant and moderate risk issues are reported individually to the relevant minister and the Parliament, and lower-risk issues are reported in aggregate in the ANAO's reports to the Parliament.⁵

A total of 57 findings were reported to entities as a result of the 2023–24 financial statements audits and these were all agreed to by audited entities. This total includes new findings and those carried over from the prior year. These comprised six significant (2022–23: 9) and 46 moderate (2022–23: 36) findings that were open at the end of the 2023–24 audit cycle in addition to five moderate findings that were both opened and closed during the 2023–24 audit cycle. The highest number of findings were in the categories of:

- IT control environment, including security, change management and user access;
- compliance and quality assurance frameworks, including legal conformance; and
- accounting and control of non-financial assets.

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 2024–25 Portfolio Budget Statements 2024–25, Program 1.1, p. 96
Result	Achieved a result of 82.05% against a target of 90% NOT MET

The ANAO measures the percentage of moderate and significant findings that are addressed by entities as an indication of 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. '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 2024–25 considers whether the audit findings in the 2021–22 and later audit cycles had been addressed by material entities within 24 months of reporting, which was up to the conclusion of the 2023–24 audit cycle that was completed in 2024–25. This is a change to the methodology adopted in the previous financial year. The results reported against this measure in 2023–24 considered only whether the audit findings raised in 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.

5 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.

During the 2021–22 audit cycle there were 13 significant and moderate findings raised in material entity audits and, of these, six had been addressed by the conclusion of the 2023–24 audit cycle. In addition, there were 22 significant and moderate findings raised in the 2022–23 audit cycle and four significant and moderate findings raised in the 2023–24 audit cycle for material entities that were addressed by the conclusion of the 2023–24 audit cycle.

Performance results for Program 1.2: Performance Audit Services

The ANAO conducts performance audits in accordance with the ANAO Auditing Standards. These performance audits examine common aspects of public administration, by reviewing the operations of public sector entities. Audits identify areas where improvements can be made and often make specific recommendations to assist entities to improve performance. Performance audits may involve multiple entities, including where a program or service is jointly administered. An assurance review of the Department of Defence’s major defence equipment acquisitions is also undertaken annually. On completion, the ANAO’s performance audits are presented to the Parliament.

The 2024–25 financial year saw the continuation of a program of audits of general compliance with legislative and policy requirements, such as compliance with gifts, benefits and hospitality rules, fraud control arrangements and management of conflicts of interest. These audits were aimed at identifying issues in broad areas of integrity, as the public sector continues to build stronger systems of integrity in operations. In addition, there was a continuation of programs of audits on procurements by the Australian Government, including major Defence procurements, Indigenous service delivery, and entity governance.

In response to ongoing parliamentary interest, the ANAO continued its audit focus on the implementation of parliamentary committee and Auditor-General recommendations. In 2024–25, the Auditor-General tabled four performance audits that either followed up on an entity’s progress in implementing recommendations or followed on from other related audits.

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 2024–25 Portfolio Budget Statements 2024–25, Program 1.2, p. 97	
Result	Achieved a result of 44 against a target of 48	NOT MET

In 2024–25, the Auditor-General tabled 44 performance audits in the Parliament (Table 3.2) against a target of 48 performance audits. The ANAO identified in its 2025–26 Portfolio Budget Statements that the 2024–25 target of 48 performance audits being presented to the Parliament would not be

achieved. This was a result of targeting the ANAO's available resources to the areas of highest priority, and that the ANAO expected to present 44 performance audit reports for tabling in 2024–25.

In addition to the 44 performance audits tabled in the Parliament, the ANAO tabled Auditor-General Report No.20 2024–25 [2023–24 Major Projects Report](#) in December 2024. This annual publication provides assurance on the progress of major Defence specialised military acquisition projects. The ANAO also publishes *Insights* products relating to Audit Lessons, Audit Practice and Audit Opinions, as detailed further in Measure 16, reporting mechanism 3.

Further, in October 2024 the ANAO tabled two information reports in the Parliament that consolidated lessons, analysis and themes from performance audit work. These were:

- Auditor-General Report No. 6 2024–25 [COVID-19 Pandemic — ANAO Audit Activity](#) which summarised and consolidated the lessons from the audits and reviews undertaken by the ANAO under its COVID-19 audit strategy; and
- Auditor-General Report No. 8 2024–25 [2023–24 Performance Audit Outcomes](#) which included an analysis of performance audits from 2019–20 to 2023–24 and the themes from 2023–24 performance audits.

Table 3.2: Number of performance audit reports, 2017–18 to 2024–25

Year	Target	Result
2024–25	48	44
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	
Source	ANAO Corporate Plan 2024–25 Portfolio Budget Statements 2024–25, Program 1.2, p. 97	
Result	Achieved a result of 14.98% increase against a target of 0%	NOT MET

The average cost of audits delivered in 2024–25 increased compared to audits delivered in 2023–24 (Table 3.3). This increase was largely due to audit complexity and a new topic not previously covered in the emerging field of artificial intelligence. Audit complexity and entering new fields of inquiry require additional senior staff time.

The cost of an audit is calculated by multiplying the hours that each level of staff worked on that audit by a charge-out rate that is set for each staffing level. The charge-out rates are set to recover the direct costs of those staff working on the audit and the overhead cost of supporting those staff.

Table 3.3: Cost of performance audits, 2017–18 to 2024–25

Year	Percentage increase		Cost per performance audit (\$'000) ^a	Actual result (%)
	Target (%)	Average	Range	
2024–25	0	571	237–1320	+15.0
2023–24	0	496	197–869	-5.0
2022–23	0	522	196–949	+7.50
2021–22	0	486	159–1,106	-6.6
2020–21	0	520	234–984	+18.0
2019–20	0	439	186–904	+5.0
2018–19	0	419	131–670	-0.7
2017–18	0	422	159–786	-9.8

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

Measure 8	Percentage of recommendations included in performance audit reports agreed to by audited entities		
Source	ANAO Corporate Plan 2024–25 Portfolio Budget Statements 2024–25, Program 1.2, p. 97		
Result	Achieved a result of 96.4% against a target of 90% MET		

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 3.4 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 2024–25, 213 recommendations were counted as 'agreed' (this includes three recommendations that were agreed with qualification and assessed to be 'agreed'). Six were agreed with qualification and assessed to be 'not agreed' and one that was not agreed, and one was noted.

Table 3.4: Agreement to recommendations in performance audit reports 2017–18 to 2024–25

Year	Recommendations				
	Total number	Fully agreed (%)	Agreed with qualifications (%)	Not agreed (%)	Noted or no response by entities (%)
2024–25 ^a	221	95.0	1.4	3.2	0.5
2023–24	254 ^b	94.1	5.1	0.8	0.0
2022–23	194	91.2	2.6	2.6	3.6
2021–22 ^a	161	95.7	2.5	1.9	0.0

Year	Recommendations				
	Total number	Fully agreed (%)	Agreed with qualifications (%)	Not agreed (%)	Noted or no response by entities (%)
2020–21	165	92.1	6.1	1.2	0.6
2019–20	141	90.8	1.4	2.8	5.0
2018–19 ^a	146	89.7	6.8	0.7	2.7
2017–18	126	84.9	9.5	2.4	3.2

Note a: The percentages for 2024–25, 2021–22 and 2018–19 do not total 100 per cent due to rounding.

Note b: This figure has been corrected from 255 to 254 as a recommendation was double counted in the 2023–24 ANAO Annual Report.

Measure 9	Percentage of ANAO recommendations implemented within 24 months of a performance audit report being presented	
Source	ANAO Corporate Plan 2024–25 Portfolio Budget Statements 2024–25, Program 1.2, p. 97	
Result	Achieved a result of 80.4% against a target of 70%	MET

The ANAO 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 ANAO also seeks advice annually from all relevant entities on progress in implementing audit recommendations over a two-year implementation period.

The self-reported data for audit recommendations made in 2022–23 suggests that entities are implementing ANAO recommendations largely within 24 months of the recommendation being agreed (Table 3.5). 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.⁶ 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 29 per cent of recommendations that entities had reported as implemented were assessed by the ANAO as not implemented.⁷

6 Auditor-General Report No.6 of 2019–20 [Implementation of ANAO and Parliamentary Committee Recommendations](#); Auditor-General Report No.46 of 2019–20 [Implementation of ANAO and Parliamentary Committee Recommendations — Education and Health Portfolios](#); Auditor-General Report No.34 of 2020–21 [Implementation of ANAO and Parliamentary Committee Recommendations — Department of Defence](#); Auditor-General Report No.25 of 2021–22 [Implementation of ANAO and Parliamentary Committee Recommendations — Department of Home Affairs](#); Auditor-General Report No. 22 of 2022–23 [Implementation of Parliamentary Committee and Auditor-General Recommendations — Attorney-General's Portfolio](#); Auditor-General Report No. 17 of 2023–24 [Implementation of Parliamentary Committee and Auditor-General Recommendations — Department of Finance](#); Auditor-General Report No. 14 of 2024–25 [Implementation of Parliamentary Committee and Auditor-General Recommendations — Indigenous Affairs Portfolio](#).

7 This calculation covers ANAO performance audit recommendations that the entities had reported as implemented that were assessed by the ANAO as 'not implemented' or 'partly implemented'

Table 3.5: Percentage of performance audit recommendations implemented within 24 months

Year in which recommendations made	Recommendations (number)	Recommendations		
		Implemented (%)	Not implemented (%)	No response provided (%)
2022–23	194	80	20	0
2021–22	161	80	20	0
2020–21	165	77	21	2
2019–20 ^a	141	84	7	8
2018–19	146	79	19	2
2017–18	126	81	19	0

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

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 Minister for Finance may request the Auditor-General to examine and report on the entity's annual performance statements.

On 26 June 2023, the Minister for Finance requested that the Auditor-General undertake assurance audits of 14 entities' 2023–24 performance statements under section 40 of the PGPA Act. The Auditor-General conducted the 14 audits under section 15 of the *Auditor-General Act 1997*.

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.

Performance measures

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 does not increase from the prior year;
- 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 2024–25, the ANAO reports on audits of performance statements from the 2023–24 audit cycle.

Measure 10 Number of performance statements audit reports issued	
Source	ANAO Corporate Plan 2024–25 Portfolio Budget Statements 2024–25, Program 1.3, p. 98
Result	Achieved a result of 14 against a target of 14 MET

In 2024–25, the ANAO completed the 14 audits of entity 2023–24 performance statements that were requested by the Minister for Finance as part of the annual performance statements audit program. The ANAO audited the performance statements of the Attorney-General’s Department (AGD), the Australian Taxation Office (ATO), Department of Agriculture, Fisheries and Forestry (DAFF), Department of Education, Department of Foreign Affairs and Trade (DFAT), Department of Health and Aged Care (Health), Department of Home Affairs, Department of Industry, Science and Resources (DISR), Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDC), Department of Social Services (DSS), Department of the Treasury, Department of Veterans’ Affairs (DVA), National Disability Insurance Agency (NDIA) and Services Australia.

The Minister for Finance tabled all 14 audit reports in the Senate on 29 November 2024. These are available at finance.gov.au/publications/reports.

Details of the lessons identified during the 2023–24 performance statements audit cycle are included in Auditor-General Report No. 25 2024–25 [Performance Statements Auditing in the Commonwealth – Outcomes from the 2023–24 Audit Program](#). The report was tabled in Parliament on 19 February 2025.

Measure 11 Percentage of performance statements audit reports issued in time to meet entity annual reporting timeframes	
Source	ANAO Corporate Plan 2024–25 Portfolio Budget Statements 2024–25, Program 1.3, p. 99
Result	Achieved a result of 43% against a target of 100% NOT MET

The ANAO aims to issue performance statements audit reports within three months of the end of the financial year. While including audited annual performance statements in annual reports to the Parliament is not a mandatory requirement for entities under the PGPA Act, the timely completion of audit reports encourages this practice.

Six audit reports were issued within three months of the end of the financial year, producing a result of 43 per cent. Reports for the remaining eight entities 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 in providing the ANAO with auditable statements from several of the entities that contributed to the late issue of the audit reports.

The audits of ATO, DAFF, DISR, Health, Home Affairs, and NDIA encountered challenges in obtaining sufficient and appropriate audit evidence, which contributed to delays in meeting the planned audit timeframes. Five of these audits were completed within seven days of the reporting timeframe.

The accountable authority of each of DSS and Services Australia decided to sign the 2023–24 financial statements and performance statements on the same date. The finalisation of the

preparation of each of these entity's financial statements was delayed, to enable identified issues to be addressed. As a result, the signing of the performance statements for DSS and Services Australia was also delayed, which impacted the timing of the issuance of the performance statements auditor's reports.

Measure 12	Average cost of a performance statements audit does not increase from the prior year	
Source	ANAO Corporate Plan 2024–25 Portfolio Budget Statements 2024–25, Program 1.3, p. 99	
Result	Achieved a result of 14.2% increase against a target of 0%	NOT MET

The average cost of audits in 2022–23 was \$539,253.08 for 10 audits. The average cost of audits in 2023–24 was \$615,849.43 for 14 audits, representing a 14.2 per cent increase from the previous audit cycle (Table 3.6). The increase was primarily driven by the integration of four new entities into the program and supporting a larger cohort of new performance statement auditors in preparation for a further increase in performance statements audits to 21 entities for the 2024–25 audit cycle. This expansion necessitated an increased focus on building audit practice capacity and capabilities.

A comparative analysis of the average audit cost for the same 10 entities audited in both 2022–23 and 2023–24, shows that there was a 1.3 per cent decrease in the average cost for those audits. This result was impacted by the audit cost for one entity, which increased by 37.6 per cent year on year. There were several qualifications in this audit in 2022–23. The increase in audit cost in 2023–24 was due to investment by the ANAO to support the entity to address and remove these qualifications. Removal of this entity from the comparative analysis shows that for the other nine entities the average audit cost was 5.9 per cent lower in 2023–24 compared to 2022–23. This reduction aligns with expectations that audit costs for second year and repeat audits will be lower than in the first year. This is due to, among other things, the fact that the foundational knowledge required to audit repeat entities has already been established by the ANAO and that the audited entities are more familiar with the audit process.

The average audit cost for the four new entities audited for the first time in 2023–24 was \$822,061.21 reflecting the additional resources and start-up effort required for first-year audits as well as the size and complexity of the four new audited entities, being the Australian Taxation Office, the Department of Foreign Affairs and Trade, the Department of Home Affairs and the National Disability Insurance Agency.

Table 3.6: Average cost of performance statements audits — 2020–21 to 2023–24

Audit cycle	Percentage increase Target (%)	Average cost per audit cycle (\$)	Actual result (%)
2023–24	0	615,849	14.20 per cent increase
2022–23	0	539,253	17.87 per cent decrease
2021–22	0	656,649	4.77 per cent increase
2020–21		626,730	

Measure 13	Percentage of moderate or significant findings, and recommendations, from performance statements audit reports agreed to by audited entities	
Source	ANAO Corporate Plan 2024–25 Portfolio Budget Statements 2024–25, Program 1.3, p. 99	
Result	Achieved a result of 95% against a target of 90%	MET

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.⁸

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 2023–24 performance statements audit cycle, 39 moderate or significant findings were made across the 14 audits. Of the findings, 35 were agreed to (without qualification) by entities, two were agreed in part and two were not agreed, resulting in 95 per cent of findings agreed.

All audit findings and recommendations are followed up as part of the audit of the following year's performance statements.⁹

Measure 14	Percentage of agreed moderate or significant findings that are addressed by audited entities within 24 months of reporting	
Source	ANAO Corporate Plan 2024–25 Portfolio Budget Statements 2024–25, Program 1.3, p. 99	
Result	Achieved a result of 92% against a target of 70%	MET

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 agreed 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.

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 2024–25 considers whether the audit findings since the 2021–22 audit cycle had been

⁸ 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.

⁹ This measure is for all significant and moderate findings including the findings reported in Measure 11.

addressed by entities within 24 months of reporting which was up to the conclusion of the 2023–24 audit cycle.

For 2024–25, only AGD, DAFF, DSS, DVA, Education and Treasury were included in the result of this measure, as they are the only entities who have undergone audits over a 24-month period (2021–22 to 2023–24).

Up to the conclusion of the 2023–24 performance statements audit cycle, 25 moderate or significant findings were agreed to by entities at the conclusion of the 2021–22 audit cycle with 23 of those findings addressed in the 24-month period across the six 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 different areas of 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.

Measure 15 The ANAO supports the Parliament to carry out its functions on the operations of the Australian Government sector.	
Source	ANAO Corporate Plan 2023–24 Portfolio Budget Statements 2023–24, shared by programs 1.1, 1.2, and 1.3, p. 100
Result	Achieved a result of 4 reporting mechanisms met against a target of 4 MET
Reporting mechanism 1	Percentage of appearances for private briefings and public hearings undertaken at the request of parliamentary committees
Result	Achieved a result of 100% against a target of 100% MET
Reporting mechanism 2	Percentage of private briefings undertaken at the request of parliamentarians
Result	Achieved a result of 100% against a target of 100% MET

Reporting mechanism 3	Percentage of inquiries and audit requests from parliamentarians responded to within 28 days
Result	Achieved a result of 100% against a target of 90% MET
Reporting mechanism 4	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.
Result	Achieved a result of six Agreed ratings against a target of six Agreed ratings MET

The ANAO has identified four reporting mechanisms (with defined targets) to assess the level of support provided to the Parliament.

The ANAO supports the work of the Parliament by providing private briefings on request, making appearances before, and submissions to committee inquiries, and responding to inquiries and audit requests from Parliamentarians. This effort is based on audit reports tabled in Parliament.

The relationship with the JCPAA remains the ANAO's key parliamentary engagement. To support the work of the Parliament more broadly, the ANAO focused on proactively seeking opportunities to engage with the Parliament to improve the utilisation of audit reports in parliamentary proceedings. Engagement activities included:

- reviewing all Senate, House and joint committee inquiries and making submissions, and being available to appear at hearings where there was audit coverage relevant to the committee inquiry terms of reference; and
- providing a summary to each estimates committee, prior to estimates hearings, which includes information about all audit reports tabled since the last estimates hearings and highlighting which audits are relevant to a committee's portfolio of responsibilities.

For 2024–25, 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 2024–25, the ANAO attended five private briefings and 14 public hearings (100 per cent of briefings and hearings at the request of parliamentary committees). All appearances followed requests from parliamentary committees. The total number of appearances is fewer than the 34 appearances of 2022–23 and 2023–24. Appearances did not take place following the prorogation of the 47th Parliament on 28 March 2025 which stopped all house and joint committee activities. While senate committees were still functional, there were limited senate committee activities including no briefings or hearings.

The ANAO's key stakeholder, the JCPAA, commenced four inquiries into ANAO reports in 2024–25 and the ANAO attended 12 public hearings and five private briefings with the JCPAA.

The ANAO also provided a submission based on our work on cybersecurity, new technologies and governance to support the [Inquiry into the use and governance of artificial intelligence systems by public sector entities](#).

All private briefings provided by the ANAO to parliamentary committees are [listed 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 2024–25, the ANAO provided 20 of 20 private briefings requested by parliamentarians. The total number of briefings provided in 2024–25 is lower than the 27 briefings provided in 2023–24 likely due to prorogation of parliament on 28 March 2025.

Of the 20 briefings, 14 were in relation to specific audit reports, one was in relation to indigenous portfolio matters, two were in relation to the 2024–25 AAWP, and three were in relation to the ANAO's work to support the JCPAA.

Summary level information of private briefings provided by the ANAO to parliamentarians and parliamentary committees is [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 2025–26 to the JCPAA in February 2025. The final work program was published on 11 July 2025.

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 or undertaking audit work 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 2024–25, the Auditor-General received 10 requests for audit from members of parliament. A response to 100 per cent of requests was provided within 28 days.¹⁰

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 involves correspondence from the Auditor-General to the JCPAA outlining the services provided by the ANAO to the JCPAA and parliament in the financial year and requesting the JCPAA provide feedback by rating the following six statements about the ANAO's performance:

1. The ANAO provides advice to the Committee that is valued and supports the JCPAA to undertake its legislative responsibilities. (This includes ANAO's briefings, appearances, submissions, budget submissions, and other advice)
2. The ANAO's reports are clear and easy to understand.

¹⁰ 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.

3. The analysis in ANAO reports is clearly evidence-based and of a high quality.
4. ANAO reports are useful in identifying key issues and assisted the Committee to monitor the accountability, financial and non-financial performance of the public sector.
5. ANAO officials have demonstrated integrity, independence and have been non-partisan in their interactions with the Committee.
6. The ANAO's reports and services contributed to improved public sector administration, accountability and transparency.

Feedback was sought before the end of the financial year due to the expectation of the proroguing of parliament and the dissolution of JCPAA, therefore the feedback period covers from July 2024 to March 2025. For 2024–25, the JCPAA agreed with all six 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 2024–25'*.

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

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 2024–25, 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 2024–25, the ANAO tabled three information 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 2024* was tabled on 6 February 2025 and the *Interim Report on Key Financial Controls of Major Entities* was tabled on 29 May 2025. In relation to its performance statements audit work, the report *Performance Statements Auditing in the Commonwealth – Outcomes from the 2023–24 Audit Program* was tabled on 19 February 2025.

All reports presented to the Parliament are [published on the ANAO website](#).

Reporting mechanism 2 – Assurance audits by arrangement

In 2024–25, the ANAO agreed to undertake 52 audits or reviews conducted under section 20 of the *Auditor-General Act 1997* and completed 51 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 as the financial statements were not available for audit.

In addition to conducting mandated financial statements audits, the ANAO undertakes other assurance activities by arrangement with audited entities to support accountability and transparency in the Australian Government sector. Measuring audits by arrangement contributes to the delivery of Program 1.1 by independently identifying improvements in the financial administration of Australian Government entities.

Reporting mechanism 3 – Audit Insights

The ANAO's *Insights* (formerly Audit Insights) products include Audit Lessons, Audit Practice and Audit Opinion. Audit Lessons provides 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 2024–25, the ANAO met its target of publishing four Audit Lessons, publishing the following reports in the period:

- [Gifts, Benefits and Hospitality](#);
- [Management of Corporate Credit Cards](#);
- [Records Management](#); and
- [Governance of Data](#).

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 44 performance audit reports tabled in 2024–25, 39 (89 per cent) included observed improvements made by entities during the audit process. This is 19 percentage points above the target measure of 70 per cent and is equal to the 2023–24 result of 89 per cent. Entity improvements are captured in Appendix 2 of the performance audit reports tabled in Parliament. For 2024–25, the observed key themes included matters relating to probity, governance and assurance activities, risk management, administrative processes, training, and performance

measurement. There were five performance audit reports that did not include observed improvements.

All performance audits published by the ANAO are available to read on the [ANAO website](#).

Reporting mechanism 5 – Entity feedback on the impact of audits

In 2024–25, the ANAO engaged a research firm, ORIMA Research, to conduct two independent surveys for the Financial Statements Audit Services Group (FSASG) and Performance Audit Services Group (PASG) to obtain audit entity feedback on the impact of audits. The surveys rate entity perceptions of audit value on selected questions relating to the value of ANAO services on improving entity performance and provide a score in index points.

The FSASG survey covered the 2023–24 financial year reporting 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, FSASG had a response rate of 59 per cent (lower than 66 per cent in 2023–24). The FSASG survey achieved a result of 96 per cent agreeing they value the work of the ANAO. This represented an increase from 93 per cent from the prior year.

The PASG survey covered performance audits tabled in Q4 2023–24 and Q1–Q3 2024–25 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 PASG had a response rate of 59 per cent which is 14 percentage points lower than the response rate from 2023–24. The PASG survey achieved a result of 82 per cent, representing a decrease from 89 per cent in 2023–24.

The performance audits survey also asked entities to rate the overall value of ANAO’s performance audit services. Overall, 85 per cent of survey respondents agreed that they value performance audit services, compared to 82 per cent in 2023–24.

Measure 17 The ANAO’s independent Quality Assurance Program indicates that audit opinions and conclusions are appropriate	
Source	ANAO Corporate Plan 2024–25 Portfolio Budget Statements 2024–25, shared by programs 1.1, 1.2 and 1.3, p. 100
Result	Achieved MET

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.

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 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 2024–25 the annual quality assurance program included:

- annual quality assurance reviews of completed audits covering all of the ANAO's functions (seven financial statements audits, two performance audits and two performance statements audits);
- real-time quality reviews of three in-progress financial statements audits and two in-progress performance statements audits; and
- an annual internal audit of compliance with selected requirements of the ANAO Audit Manual.

In 2024–25, three significant findings were identified in two of the completed financial statements audit files reviewed as the audit files did not contain sufficient appropriate audit evidence to support the conclusions issued. The significant findings related to deficiencies in testing over key management personnel remuneration and revenue.

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:

- preparing documentation of the procedures performed over key management personnel remuneration disclosures in line with the ANAO Minimum Audit Requirements;
- testing an extended number of revenue items to ensure sufficient and appropriate evidence was obtained over all material revenue streams; and
- the redesign and execution of the sampling approach to ensure that the sample was selected from the appropriate population.

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 2024–25, 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 2024–25 (Measure 15 – Mechanism 1)

Date	Committee	Topic	Type
4 July 2024	Joint Committee of Public Accounts and Audit	Review of Auditor-General reports	Private Briefing
12 September 2024	Joint Committee of Public Accounts and Audit	Review of Auditor-General reports for Inquiry into the administration of Commonwealth regulations	Private Briefing
10 October 2024	Joint Committee of Public Accounts and Audit	Review of Auditor-General reports for Inquiry into the contract management frameworks operated by Commonwealth entities	Private Briefing
4 November 2024	Senate Standing Committee on Finance and Public Administration	Supplementary Senate Estimates 2024–25	Public Hearing
13 November 2024	Joint Committee of Public Accounts and Audit	Auditor-General Report No. 21 2023–24 <i>Management of the Australian War Memorial's Development Project</i>	Public Hearing
13 November 2024	Joint Committee of Public Accounts and Audit	Auditor-General Report No. 36 2023–24 <i>Procurement of My Health Record</i>	Public Hearing
13 November 2024	Joint Committee of Public Accounts and Audit	Auditor-General Report No. 37 2023–24 <i>Administration of the Adult Migrant English Program contracts</i>	Public Hearing
13 November 2024	Joint Committee of Public Accounts and Audit	Auditor-General Report No. 47 2023–24 <i>Defence's management of contracts for the supply of munitions: Part 1</i>	Public Hearing
13 November 2024	Joint Committee of Public Accounts and Audit	Auditor-General Report No. 1 2024–25 <i>Defence's Procurement and Implementation of the myClearance System</i>	Public Hearing
15 November 2024	Joint Committee of Public Accounts and Audit	Inquiry into the use and governance of artificial intelligence systems by public sector entities - Policy Roundtable	Public Hearing
15 November 2024	Joint Committee of Public Accounts and Audit	Inquiry into the use and governance of artificial intelligence systems by public sector entities - AI in Government Taskforce Roundtable	Public Hearing

Date	Committee	Topic	Type
21 November 2024	Joint Committee of Public Accounts and Audit	2024–25 MPR Guidelines	Private Briefing
22 November 2024	Joint Committee of Public Accounts and Audit	Auditor-General Report No. 3 2023–24 <i>Management of Non-Compliance with the Therapeutic Goods Act 1989 for Unapproved Therapeutic Goods</i>	Public Hearing
22 November 2024	Joint Committee of Public Accounts and Audit	Auditor-General Report No. 8 2023–24 <i>Design and Early Implementation of Residential Aged Care Reforms</i>	Public Hearing
22 November 2024	Joint Committee of Public Accounts and Audit	Auditor-General Report No. 5 2023–24 <i>Trade Measurement Compliance Activities</i>	Public Hearing
22 November 2024	Joint Committee of Public Accounts and Audit	Auditor-General Report No. 15 2023–24 <i>Australian Taxation Office's Management and Oversight of Fraud Control Arrangements for the Goods and Services Tax</i>	Public Hearing
22 November 2024	Joint Committee of Public Accounts and Audit	Auditor-General Report No. 26 of 2023–24 <i>Department of Home Affairs' Regulation of Migration Agents</i>	Public Hearing
28 November 2024	Joint Committee of Public Accounts and Audit	ANAO 2025–26 Budget Submission	Private Briefing
24 February 2025	Senate Standing Committee on Finance and Public Administration	Additional Budget Estimates 2024–25	Public Hearing

Table 3A.2: JCPAA inquiries and reports in 2024–25 (Measure 15 – Mechanism 1)

Inquiry status	Inquiry	Relevant Auditor-General reports
Concluded Report 505	Inquiry into policy and program design and implementation	Auditor-General Report No. 6 2022–23 Implementation of the Export Control Legislative Framework Auditor-General Report No. 10 2022–23 Expansion of Telehealth Services Auditor-General Report No. 16 2022–23 Management of Migration to Australia — Family Migration Program Auditor-General Report No. 17 2022–23 Department of Agriculture, Fisheries and Forestry's Cultural Reform

Inquiry status	Inquiry	Relevant Auditor-General reports
		Auditor-General Report No. 39 2022–23 <i>Implementation of the Government Response to the Black Economy Taskforce Report</i> Auditor-General Report No. 42 2022–23 <i>Access and Participation Programs for Regional and Remote Students</i>
Concluded Report 506	<u>Inquiry into Commonwealth financial statements 2022–23</u>	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>
Concluded Report 507	<u>Inquiry into the 2022–23 Major Projects Report</u>	Auditor-General Report No. 14 2023–24 <i>2022–23 Major Projects Report</i>
Concluded Report 509	<u>Inquiry into the failed visa privatisation process and the implementation of other public sector IT procurements and projects</u>	Auditor-General Report No. 12 2023–24 <i>Administration of the Parliamentary Expenses Management System</i> Auditor-General Report No. 7 2023–24 <i>Establishment of the Workforce Australia Services Panel</i> Auditor-General Report No. 34 2022–23 <i>Procurement of the Permissions Capability</i> Auditor-General Report No. 1 2021–22 <i>Defence's Administration of Enabling Services — Enterprise Resource Planning Program: Tranche 1</i> Auditor-General Report No. 10 2020–21 <i>System Redevelopment — Managing Risks While Planning Transition</i> Auditor-General Report No. 13 2019–20 <i>Implementation of the My Health Record System</i> Auditor-General Report No. 4 2019–20 <i>OneSKY: Contractual Arrangements</i> Auditor-General Report No. 24 2018–19 <i>The Australian Criminal Intelligence Commission's Administration of the Biometric Identification Services Project</i>
Concluded Report 510	<u>Inquiry into the use and governance of artificial intelligence systems by public sector entities</u>	Based on submissions from the inquiry into Commonwealth financial statements 2022–23
Concluded Report 511	<u>Inquiry into the contract management frameworks operated by Commonwealth entities</u>	Auditor-General Report No. 21 2023–24 <i>Management of the Australian War Memorial's Development Project</i> Auditor-General Report No. 36 2023–24 <i>Procurement of My Health Record</i> Auditor-General Report No. 37 2023–24 <i>Administration of the Adult Migrant English Program Contracts</i> Auditor-General Report No. 47 2023–24 <i>Defence's Management of Contracts for the Supply of Munitions — Part 1</i>

Inquiry status	Inquiry	Relevant Auditor-General reports
		Auditor-General Report No. 1 2024–25 Defence's Procurement and Implementation of the myClearance System
Concluded Report 512	Inquiry into the administration of Commonwealth regulations	Auditor-General Report No. 3 2023–24 Management of Non-Compliance with the Therapeutic Goods Act 1989 for Unapproved Therapeutic Goods Auditor-General Report No. 5 2023–24 Trade Measurement Compliance Activities Auditor-General Report No. 8 2023–24 Design and Early Implementation of Residential Aged Care Reforms Auditor-General Report No. 15 2023–24 Australian Taxation Office's Management and Oversight of Fraud Control Arrangements for the Goods and Services Tax Auditor-General Report No. 26 2023–24 Department of Home Affairs' Regulation of Migration Agents
Lapsed	Inquiry into the 2023–24 Major Projects Report	Auditor-General Report No. 20 2024–25 2023–24 Major Projects Report

Table 3A.3: Number of private briefings undertaken at the request of parliamentarians in 2024–25 (Measure 15 – Mechanism 2)

Date	Parliamentarian	Topic
3 July 2024	The Hon Dan Tehan MP	Auditor-General Report No. 37 2023–24 <i>Administration of the Adult Migrant English Program Contracts</i>
10 July 2024	The office of the Hon David Littleproud MP	Auditor-General Report No. 27 2023–24 <i>Design and Early Implementation of the National Soil Strategy</i>
21 August 2024	The Hon Linda Burney MP	Introductory meeting with the new JCPAA Chair and the Auditor-General
24 September 2024	The office of the Hon Jason Clare MP	Annual Audit Work Program 2024–25: Overview
1 October 2024	The office of the Senator Jana Stewart	Annual Audit Work Program 2024–25: Overview
29 October 2024	Ms Zoe Daniel MP	Auditor-General Report No. 3 2024–25 <i>Australian Government Commitment to the Melbourne Suburban Rail Loop East Project</i>
1 November 2024	Senator Perin Davey	Auditor-General Report No. 5 2024–25 <i>Australian Government Crisis Management Framework</i>
4 November 2024	The Hon Linda Burney MP	Introductory meeting with the JCPAA Chair and the new Auditor-General

Date	Parliamentarian	Topic
6 November 2024	Senator Kerryne Liddle	Northern Territory Land Council Performance Audits and other First Nations matters
12 November 2024	Senator the Hon Linda Reynolds CSC	Introductory meeting with the JCPAA Deputy-Chair and the new Auditor-General
25 November 2024	Senator Gerard Rennick	Auditor-General Report No. 9 2024–25 <i>Fraud Control Arrangements in the National Health and Medical Research Council</i> Auditor-General Report No.10 2024–25 <i>Fraud Control Arrangements in the Australian Skills Quality Authority</i>
27 November 2024	The Hon Julian Hill MP	Scope and timing of the Onshore Vaccine Manufacturing Facilities audit
28 November 2024	Senator Jacinta Nampijinpa Price	Auditor-General Report No. 14 2024–25 <i>Implementation of Parliamentary Committee and Auditor-General Recommendations — Indigenous Affairs Portfolio</i>
18 December 2024	The Hon Kevin Hogan MP	Auditor-General Report No. 18 2024–25 <i>Procurement and Contract Management by Tourism Australia</i>
7 January 2025	Senator Jacqui Lambie	Scope of Administration of investigations in Defence
24 January 2025	The office of the Hon Richard Marles MP and the Hon Pat Conroy MP	Auditor-General Report No 20. of 2024–25 <i>2023–24 Major Projects Report</i>
6 February 2025	The office of Ted O'Brien MP	Auditor- General Report No. 16 2024–25 <i>Design of the Energy Price Relief Plan</i>
29 May 2025	The Hon Patrick Gorman MP	Auditor-General Report No. 33 2024–25 <i>Administration of the Impact Analysis Framework</i>
23 June 2025	The Hon Matt Keogh MP	Auditor-General Report No. 39 2024–25 <i>Interim Report on Key Financial Controls of Major Entities</i>
25 June 2025	Senator the Hon Jenny McAllister	Auditor-General Report No. 41 2024–25 <i>Effectiveness of the Board of the National Disability Insurance Agency</i>

Table 3A.4: Audit requests from parliamentarians, 2024–25 (Measure 15 – Mechanism 3)

Date of request	Date of response	Requested by	Audit request relating to	Response provided to request
19 July 2024	14 August 2024	Senator David Shoebridge	The use of public funds allocated towards the OneSchool Global schools and in particular claims	No audit to proceed

Date of request	Date of response	Requested by	Audit request relating to	Response provided to request
			that these funds have been allocated inappropriately to private contractors.	
30 July 2024	26 August 2024	The Hon Paul Fletcher MP	Investment into PsiQuantum by the Australian and Queensland governments on 30 April 2024	Added to AAWP as possible audit into government investment vehicles
30 August 2024	25 September 2024	Senator the Hon Richard Colbeck	COVID-19 Claims Scheme	Request added for consideration into the development of the 2025–26 AAWP
4 November 2024	2 December 2024	Dr Helen Haines MP	Government Priority Community Infrastructure Program (PCIP) and Investing in Our Communities Program (IOCP)	Request added for consideration into the development of the 2025–26 AAWP
26 November 2024	20 December 2024	The Hon Dr Anne Aly MP	Inclusion Support Program (ISP) administration arrangements with the Department of Education.	Request added to 2024–25 AAWP
17 January 2025	6 February 2025	Dr Anne Webster MP	Audit of the Housing Support Program	Request added for consideration into the development of the 2025–26 AAWP
28 February 2025	21 March 2025	Ms Kylea Tink MP	Defence export permit approvals process	The topic is currently on the 2025–26 draft AAWP
21 March 2025	17 April 2025	Senator the Hon Michaelia Cash	Investigation into the Incolink grant	Grant will be audited as part of 2024–25 financial statements audit of the Department of Employment and Workplace Relations
31 March 2025	28 April 2025	Senator the Hon Anne Ruston	Investigation into grant awarded to the Gallipoli Turkish Cultural Foundation	Topic may be incorporated into the broader topic of 'Regulatory functions in aged

Date of request	Date of response	Requested by	Audit request relating to	Response provided to request
				care quality and safety' currently included in the 2025–26 AAWP
23 May 2025	18 June 2025	Senator David Shoebridge	Review of the expenditure and disclosures of the Federal Court	Topic may be incorporated into the broader topic of 'Compliance with legislative and policy requirements / Integrity compliance audits' to be included in the 2025–26 AAWP.

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 \$6.515 million in 2024–25. Excluding the impact of depreciation and adjusting for leasing arrangements, the ANAO's result for the 2024–25 financial year was an operating deficit of \$5.311 million.

The Minister for Finance approved a reclassification of \$0.773m of Departmental Capital Budget (DCB) to operational (Appropriation Act No. 3) in 2024–25, which has increased the operating appropriation total to \$96.125m.

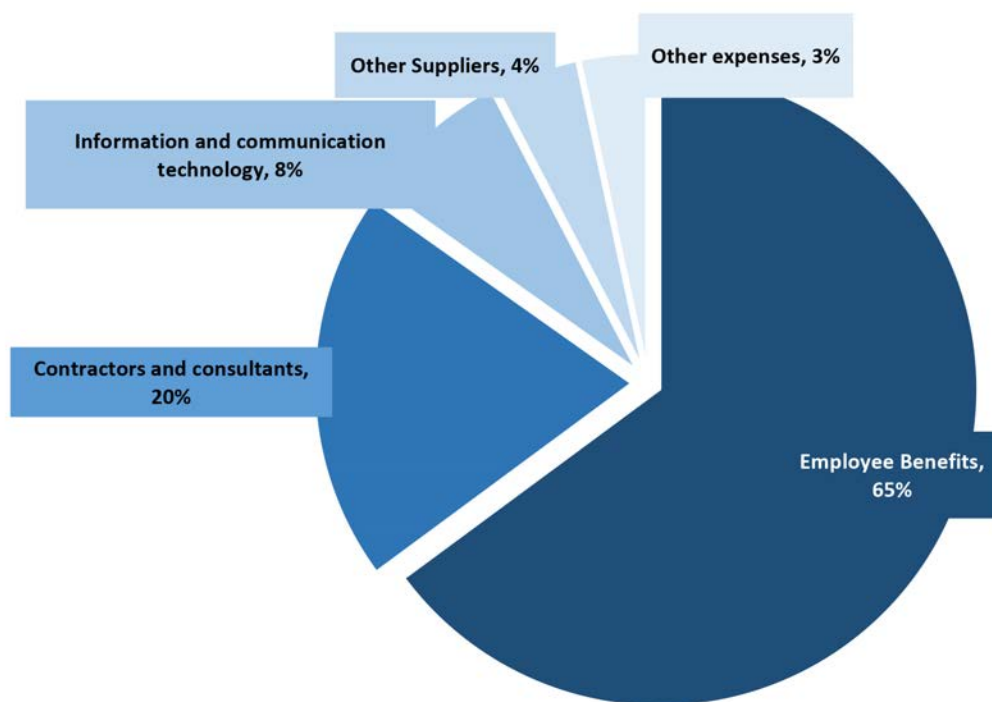
The ANAO sought approval from the Minister of Finance for an operating loss for the 2024–25 financial year to meet employee and supplier pressures. Prior year reserves were used to fund the operating loss. Employee benefits overspend were due to an increase to ASL to support the audit program being delivered. Supplier overspends were related to increases to audit related contracts to deliver financial statement audits and performance audits, and an increase to software maintenance and internet and data usage, in line with the ANAO's increase to ASL.

Expense impacts

The ANAO spends 65 per cent of its budget on employee-related expenses and 20 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. The ANAO outsources information technology to a managed service provider, total IT costs, including the managed service provider contract, make up eight per cent of the ANAO expenses.

The ANAO's total expenses for 2024–25 were \$108.6 million, compared to \$104.1 million in 2023–24, an increase of \$4.5 million.



Financial position

The ANAO's overall financial position continued to remain sound in 2024–25 (Table 3.7):

- total assets reduced as at 30 June 2025 to \$60.514 million; and
- total liabilities increased to \$55.140 million.

The majority of the ANAO's assets are financial assets, with the largest balance being appropriation receivable (\$21.589 million). The ANAO's appropriation receivable has decreased by \$2.322m from 2023–24, reflecting the operating loss and expenditure on transformational projects.

The majority of the ANAO's liabilities are comprised of leases (\$29.511 million) and employee provisions (\$18.604 million).

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

Table 3.7: Summary of financial performance, 2023–24 and 2024–25

	2024–25 (\$'000)	2023–24 (\$'000)	Variance (\$'000)	Variance (%)
Statement of comprehensive income				
Total own-source revenue	5,212	5,811	-599	-10.31
Total revenue from government	96,905	92,224	4,681	5.08
Total expenses	108,632	104,074	4,558	4.38
Net surplus/(deficit)	-6,515	-6,039	-476	7.88
Statement of financial position				
Total assets	60,514	64,557	-4,043	-6.26
Total liabilities	55,140	53,691	1,449	2.70
Net assets	5,374	10,866	-5,492	-50.54
Equity	5,374	10,866	-5,492	-50.54

Note: The ANAO's operating result was a deficit of \$5.311 million in 2024–25, excluding depreciation and amortisation and adjustments for leases.

Revenue impacts

Government revenue from departmental and special appropriations was \$96.905 million (after reclassification) in 2024–25, an increase of \$4.681 million from 2023–24.

Own-source revenue in 2024–25 was \$5.212 million, a decrease of \$0.599 million compared to 2023–24.

Entity resource statement

The entity resource statement provides additional information about the various funding sources that the ANAO may draw upon during the year. Appendix B details the resources available to the ANAO during 2024–25 and sets out the ANAO's summary of total expenses for Outcome 1.

Australian National Audit Office

Financial Statements

for the year ended 30 June 2025

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 2025 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 by the Auditor-General and Chief Finance Officer
- Statement of comprehensive income for the year ended 30 June 2025
- Statement of financial position as at 30 June 2025
- Statement of changes in equity for the year ended 30 June 2025
- Cash flow statement for the year ended 30 June 2025
- Administered schedule of comprehensive income for the year ended 30 June 2025
- Administered schedule of assets and liabilities as at 30 June 2025
- Administered reconciliation schedule for the year ended 30 June 2025
- Administered cash flow statement for the year ended 30 June 2025, and
- Notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 2025 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.

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

The Auditor-General is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025 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

INDEPENDENT AUDITOR'S REPORT TO THE PRESIDENT OF THE SENATE AND SPEAKER OF THE HOUSE OF REPRESENTATIVES (CONTINUED)

Responsibilities of the Auditor-General for the Financial Statements

The Auditor-General 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 the internal controls 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 Auditor-General.
- Concluded on the appropriateness of the Auditor-General'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 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 8th day of August 2025

Australian National Audit Office
STATEMENT BY THE AUDITOR-GENERAL AND THE CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2025 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 

Dr Caralee McLiesh PSM
Auditor-General
8 August 2025

Signed 

Alison Garth
Chief Finance Officer
8 August 2025

Australian National Audit Office
Statement of Comprehensive Income
for the period ended 30 June 2025

		2025	2024	2025 Original Budget
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
EXPENSES				
Employee benefits	1.1A	70,121	62,122	65,771
Suppliers	3.1A	34,318	37,315	32,585
Depreciation and amortisation	4.2A	3,659	4,080	3,898
Finance costs	3.1B	461	496	454
Write-down and impairment of other assets	4.2A	73	61	-
Total expenses		108,632	104,074	102,708
OWN-SOURCE INCOME				
Own-source revenue				
Revenue from contracts with customers		2,533	2,902	2,800
Rendering of other services		324	536	-
International development funding		2,355	2,373	2,300
Total own-source revenue	3.2	5,212	5,811	5,100
Net cost of services		103,420	98,263	97,608
REVENUE FROM GOVERNMENT				
Departmental annual appropriations	2.1A	96,125	91,456	95,352
Departmental special appropriations	2.1C	780	768	800
Total revenue from Government	3.3A	96,905	92,224	96,152
Deficit on continuing operations		(6,515)	(6,039)	(1,456)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		-	1,506	-
Total other comprehensive income		-	1,506	-
Total comprehensive loss		(6,515)	(4,533)	(1,456)

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

Budget Variances Commentary — Statement of Comprehensive Income

Employee benefits are \$4.350m (7%) higher than budgeted due to starting the financial year above the portfolio budget statement average staffing level (ASL), the 2024–25 full year ASL is 41 above the external budget ASL. The ANAO continued to build capability in 2024–25 to ensure the audit work program was delivered, increasing the ANAO's in-house skills and capability remained a priority to the agency.

Supplier expenses are \$0.1733m (5%) higher than budget due to audit-related contractors, cloud-based services for software, cyber security and property operating costs being higher than estimated to deliver the audit program.

Revenue from contracts with customers are \$0.267m (10%) lower than budget as fees charged for audits by arrangement under Section 20 of the *Auditor-General Act 1997* are based on volume and scope of requests each year, the timing of the completion of each audit impacts the revenue recognised.

Rendering of other services are \$0.324m (100%) higher than budget due to parking and secondment revenue.

Departmental annual appropriations received by the ANAO in 2024–25 includes \$0.773m that was reclassified from capital to operating as the ANAO utilises cloud-based services that can't be capitalised. The reclassification will be reflected in 2025–26 as a reduction in capital.

Australian National Audit Office
Statement of Financial Position
as at 30 June 2025

	Notes	2025 \$'000	2024 \$'000	2025 Original Budget \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	4.1A	2,492	661	669
Trade and other receivables	4.1B	23,363	26,925	26,129
Total financial assets		25,855	27,586	26,798
Non-financial assets				
Buildings (ROU Assets)	4.2A	22,135	24,535	21,952
Leasehold improvements	4.2A	8,580	8,717	5,882
Plant and equipment	4.2A	2,817	2,743	3,203
Intangibles	4.2A	-	-	284
Prepayments		1,127	976	925
Total non-financial assets		34,659	36,971	32,246
Total assets		60,514	64,557	59,044
LIABILITIES				
Payables				
Suppliers	4.3A	2,636	2,888	4,180
Other Payables	4.3B	4,389	2,670	1,889
Total payables		7,025	5,558	6,069
Interest bearing liabilities				
Leases	4.4A	29,511	31,949	28,685
Total interest bearing liabilities		29,511	31,949	28,685
Provisions				
Employee provisions	1.1B	18,604	16,184	15,389
Total provisions		18,604	16,184	15,389
Total liabilities		55,140	53,691	50,143
Net assets		5,374	10,866	8,901
EQUITY				
Contributed equity		20,372	19,349	20,374
Reserves		2,598	2,614	1,108
Accumulated deficit		(17,596)	(11,097)	(12,581)
Total equity		5,374	10,866	8,901

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

Budget Variances Commentary — Statement of Financial Position

Cash and cash equivalents are \$1.823m (272%) higher than budget as payment of an administered invoice (\$1.423m) was mistakenly deposited into the departmental bank account on 30 June 2025 by an audit client, the funds were transferred on 1 July 2025 from the ANAO's departmental bank account to the administered bank account. 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 \$2.772m (11%) lower than budget due to appropriation receivable being used to fund ANAO's operating loss. The ANAO maintains a balance of prior year appropriation sufficient to cover its liabilities.

Prepayments are \$0.202m (22%) higher than budget as the ANAO is utilising cloud-based services, the increase in prepayments relates to multi-year subscriptions.

Other payables are \$2.500m (132%) higher than budget due to monies payable for an administered invoice paid into the departmental bank account on 30 June 2025 accounted for as a payable, and accrued salaries being higher than originally estimated.

Employee provisions are \$3.215m (21%) higher than budget due to the ANAO pay increases, the increase to ANAO's ASL and APS staff transferring into the ANAO with large provision balances.

Australian National Audit Office
Statement of Changes in Equity
for the period ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000	2025 Original Budget \$'000
CONTRIBUTED EQUITY				
Opening balance as at 1 July		19,349	18,355	19,349
Transactions with owners				
Contributions by owners				
Departmental capital budget	2.1A	1,023	994	1,023
Total transactions with owners		1,023	994	1,023
Closing balance as at 30 June		20,372	19,349	20,372
ACCUMULATED DEFICIT				
Opening balance as at 1 July		(11,097)	(5,058)	(11,125)
Comprehensive income				
Deficit for the period		(6,515)	(6,039)	(1,456)
Total comprehensive loss		(6,515)	(6,039)	(1,456)
Transfers between equity components ¹		16	-	-
Closing balance as at 30 June		(17,596)	(11,097)	(12,581)
ASSET REVALUATION RESERVE				
Opening balance as at 1 July		2,614	1,108	1,108
Comprehensive income				
Other comprehensive income		-	1,506	-
Total comprehensive income		-	1,506	-
Transfers between equity components ¹		(16)	-	-
Closing balance as at 30 June		2,598	2,614	1,108
TOTAL EQUITY				
Opening balance as at 1 July		10,866	14,405	9,332
Comprehensive income				
Deficit for the period		(6,515)	(6,039)	(1,456)
Other comprehensive income		-	1,506	-
Total comprehensive loss		(6,515)	(4,533)	(1,456)
Transactions with owners				
Contributions by owners				
Departmental capital budget	2.1A	1,023	994	1,023
Total transactions with owners		1,023	994	1,023
Transfers between equity components ¹		-	-	-
Closing balance as at 30 June		5,374	10,866	8,901

¹This 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 2025

	Notes	2025 \$'000	2024 \$'000	2025 Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		108,947	105,749	96,152
Rendering of services		5,983	5,895	5,100
Net GST received		4,569	4,703	-
Total cash received		119,499	116,347	101,252
Cash used				
Employees		66,103	60,707	65,771
Suppliers		38,700	43,100	32,585
Section 74 receipts transferred to OPA		9,949	9,728	-
Interest payments on lease liabilities		461	496	454
Total cash used		115,213	114,031	98,810
Net cash from operating activities		4,286	2,316	2,442
INVESTING ACTIVITIES				
Cash used				
Purchase of leasehold improvements		532	-	-
Purchase of plant and equipment		720	751	1,023
Total cash used		1,252	751	1,023
Net cash used by investing activities		(1,252)	(751)	(1,023)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		1,252	751	1,023
Total cash received		1,252	751	1,023
Cash used				
Principal payments of leases liabilities		2,455	2,324	2,442
Total cash used		2,455	2,324	2,442
Net cash used by financing activities		(1,203)	(1,573)	(1,419)
Net decrease in cash held		1,831	(8)	-
Cash and cash equivalents at the beginning of the reporting period		661	669	669
Cash and cash equivalents at the end of the reporting period¹	4.1A	2,492	661	669

¹As 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 for operating activities are \$12.795m (13%) higher than budget due the appropriation used from prior years reserves that was required to pay employee and supplier costs over the original budgeted amount.

Purchase of leasehold improvements are \$0.532m (100%) higher than budget due to a project to make effective use of the ANAO's office space and improve the activity-based work environment.

Australian National Audit Office

Administered Schedule of Comprehensive Income

for the period ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000	2025 Original Budget \$'000
INCOME				
Non-taxation revenue				
Revenue from contracts with customers		16,041	15,160	14,480
Total income		16,041	15,160	14,480

Budget Variances Commentary

Revenue from contracts with customers is \$1.561m (11%) higher than budget due to increased fees charged for the delivery of audits of corporate commonwealth entities and commonwealth companies due to supplier cost increases and complexity in accounting for financial statement items.

Administered Schedule of Assets and Liabilities

as at 30 June 2025

	Notes	2025 \$'000	2024 \$'000	2025 Original Budget \$'000
ASSETS				
Financial assets				
Cash and cash equivalents		-	-	-
Trade and other receivables	4.1C	8,782	9,503	9,402
Total financial assets		8,782	9,503	9,402
Total assets administered on behalf of Government		8,782	9,503	9,402
LIABILITIES				
Payables				
GST payable		326	266	333
Total payables		326	266	333
Total liabilities administered on behalf of Government		326	266	333
Net assets		8,456	9,237	9,069

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

Budget Variances Commentary

Trade and other receivables are \$0.620m (7%) lower than budget due to the timing of the work performed for financial statements audits.

Australian National Audit Office			
Administered Reconciliation Schedule			
for the period ended 30 June 2025			
	Notes	2025 \$'000	2024 \$'000
Opening assets less liabilities as at 1 July		9,237	9,069
Net contribution by services			
Income		16,041	15,160
Transfers to the Australian Government			
Transfers to the Official Public Account		(16,822)	(14,992)
Closing assets less liabilities as at 30 June		8,456	9,237
<u>Accounting Policy</u>			
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 2025			
	Notes	2025 \$'000	2024 \$'000
OPERATING ACTIVITIES			
Cash received			
Rendering of audit services		18,498	16,497
Total cash received		18,498	16,497
Cash used			
GST paid		1,676	1,505
Total cash used		1,676	1,505
Net cash from operating activities		16,822	14,992
Cash to Official Public Account			
Appropriations		16,822	14,992
Total cash to official public account		(16,822)	(14,992)
Net increase/(decrease) in cash held		-	-
Cash and cash equivalents at the beginning of the reporting period		-	-
Cash and cash equivalents at the end of the reporting period¹		-	-
¹ As shown in the Administered Schedule of Assets and Liabilities.			

Australian National Audit Office

Overview

Objectives of the Entity

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 is structured to meet the following outcome:

- To improve public sector performance and accountability through independent reporting on Australian Government administration to Parliament, the Executive, and the public.

The continued existence of the entity in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the entity's administration and programs.

Entity activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the entity in its own right. Administered activities involve the management or oversight by the entity, on behalf of the Government, of items controlled or incurred by the Government.

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*.

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.

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. The revenue and receipts associated with conducting these audits are treated as administered activities within the financial statements. The revenue from these audit fee's is returned to the OPA and are not available to the ANAO.

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.

Australian National Audit Office

Overview (continued)

Events After the Reporting Period

Departmental

No events have occurred after the reporting date that should be brought to account or noted in the 2024–25 financial statements.

Administered

No events have occurred after the reporting date that should be brought to account or noted in the 2024–25 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

	2025 \$'000	2024 \$'000
Note 1.1A: Employee benefits		
Wages and salaries	53,342	47,610
Superannuation		
Defined contribution plans	7,127	5,519
Defined benefit plans	2,413	2,433
Leave entitlements	6,685	6,114
Other employee expenses	554	446
Total employee benefits	70,121	62,122

	2025 \$'000	2024 \$'000
Note 1.1B: Employee Provisions		
Leave	18,604	16,184
Total employee provisions	18,604	16,184

All employee provisions relate to Long Service Leave (LSL) and Annual Leave (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 (2025: LSL shorthand model). 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 2025 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 – 2024-25	Term as KMP – 2023-24
Dr Caralee McLiesh PSM	Auditor-General	Part Year ¹	-
Grant Hehir	Auditor-General	-	Part Year ²
Rona Mellor PSM	Auditor-General (Acting)	Full Year ³	Full Year ³
Carla Jago	Deputy Auditor-General (Acting)	Full Year ⁴	Full Year ⁴
Dr Anastasios Ioannou	Group Executive Director	Full Year ⁵	Full Year
Jane Meade	Group Executive Director	Full Year	Full Year
Bola Oyetunji	Group Executive Director	-	Part Year ⁶
George Sotiropoulos	Group Executive Director	Full Year	Full Year
Jacqueline Walton	Chief Operating Officer (Acting)	Part Year ⁷	Full Year
Lesla Craswell	Group Executive Director (Acting)	Full Year	Full Year
Michelle Page	Group Executive Director (Acting)	Part Year ⁸	Part Year ⁸
Corinne Horton	Group Executive Director (Acting)	Part Year ⁹	Part Year ⁹
Michael White	Group Executive Director (Acting)	Part Year ¹⁰	-
Xiaoyan Lu	Group Executive Director (Acting)	Part Year ¹¹	Part Year ¹¹
Sean Benfield	Group Executive Director (Acting)	Part Year ¹²	-
Peta Lane	Group Executive Director	Part Year ¹³	-
Ian Goodwin	Group Executive Director	Part Year ¹⁴	-
Sue Goodear	Chief Operating Officer	Part Year ¹⁵	-
Alison Garth	Chief Finance Officer	Full Year	Full Year
Matthew Rigter	Chief Operating Officer (Acting)	Part Year ¹⁶	-

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

Notes:

1. Dr Caralee McLiesh PSM was Auditor-General from 4 November 2024.
2. Grant Hehir was Auditor-General until 15 February 2024.
3. Rona Mellor PSM was Auditor-General (Acting) from 16 February 2024 until 4 November 2024 and became Deputy Auditor-General from 5 November 2024.
4. Carla Jago was Group Executive Director until 18 February 2024 and became Deputy Auditor-General (Acting) from 19 February 2024.
5. Dr Anastasios Ioannou was Group Executive Director until 4 November 2024 and became Special Advisor to the Auditor-General from 5 November 2024.
6. Bola Oyetunji was Group Executive Director until 3 April 2024.
7. Jacqueline Walton was Chief Operating Officer (Acting) until 9 June 2025.
8. Michelle Page was Group Executive Director (Acting) from 19 February 2024 until 14 May 2025.
9. Corinne Horton was Group Executive Director (Acting) from 15 May 2024 until 25 October 2024.
10. Michael White was Group Executive Director (Acting) from 28 October 2024 until 21 March 2025.
11. Xiaoyan Lu was Group Executive Director (Acting) from 19 February 2024 until 31 January 2025.
12. Sean Benfield was Group Executive Director (Acting) from 3 February 2025.
13. Peta Lane was Group Executive Director from 15 May 2025.
14. Ian Goodwin was Group Executive Director from 15 May 2025.
15. Sue Goodear was Chief Operating Officer from 10 June 2025.
16. Matthew Rigter was Chief Operating Officer (Acting) from 2 December 2024 to 3 January 2025.

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

The following tables are prepared on an accruals basis.

	2025	2024
	\$	\$
Note 1.2A: Key management personnel remuneration		
Short-term benefits		
Base salary	3,614,384	3,139,488
Other benefits and allowances	204,065	175,503
Total short-term benefits	3,818,449	3,314,991
Superannuation	527,147	497,143
Total post-employment benefits	527,147	497,143
Other long-term benefits:		
Long-service leave	168,736	146,431
Total other long-term benefits	168,736	146,431
Total key management personnel remuneration expenses¹	4,514,332	3,958,565

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 2025 is 18, including acting arrangements and appointments (2024:13).

¹The 2023-24 KMP has been restated in accordance with Resource Management Guide 138 – Commonwealth entities executive remuneration reporting guide for annual reports, to account for an overstatement in the calculation of leave provisions relating to incorrect inclusion of entitlements in the hourly rate used to calculate the provisions and ensure consistency with the current year. This restatement is appropriate due to KMP remuneration disclosure being assessed as material by nature. The related impacts upon remuneration paid to senior executives (Note 1.3A), employee expenses (Note 1.1A) and employee provisions (Note 1.1B) is significantly below the assessment of materiality and therefore have not been restated.

The 2023–24 components of KMP that were restated are:

- a. base salary from \$3,126,298 to \$3,139,488;
- b. long service leave from \$150,791 to \$146,431; and
- c. total key management personnel remuneration expenses from \$3,949,735 to \$3,958,565.

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

Note 1.2B: 2024-25 Key management personnel remuneration

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		
Dr Caralee McLiesh PSM	Auditor-General from 4 November 2024	\$ 518,290	-	-	22,401	\$ 11,634	-	-	\$	\$ 552,325
Rona Mellor PSM	Auditor-General (Acting) from 16 February 2024 until 4 November 2024 and became Deputy Auditor-General from 5 November 2024	559,192	-	-	79,592	23,324	-	-	-	662,108
Carla Jago	Group Executive Director until 18 February 2024 and became Deputy Auditor-General (Acting) from 19 February 2024	339,183	-	26,546	56,366	17,244	-	-	-	439,339
Dr Anastasios Ioannou	Group Executive Director until 4 November 2024 and became Special Advisor to the Auditor-General from 5 November 2024	264,456	-	25,917	51,581	14,581	-	-	-	356,535
Jane Meade	Group Executive Director	163,948	-	15,550	30,425	6,942	-	-	-	216,865
George Sotiropoulos	Group Executive Director	334,181	-	-	58,832	10,960	-	-	-	403,973
Sue Goodear	Chief Operating Officer from 10 June 2025	8,696	-	-	2,085	-	-	-	-	10,781
Jacqueline Walton	Chief Operating Officer (Acting) until 9 June 2025	242,583	-	24,920	45,439	12,253	-	-	-	325,195
Lesa Craswell	Group Executive Director (Acting)	253,762	-	25,917	43,330	31,357	-	-	-	354,366
Ian Goodwin	Group Executive Director from 15 May 2025	38,944	-	479	4,639	1,234	-	-	-	45,296
Peta Lane	Group Executive Director from 15 May 2025	32,155	-	-	6,663	659	-	-	-	39,477
Michelle Page	Group Executive Director (Acting)	221,150	-	24,192	36,173	6,530	-	-	-	288,045
Corinne Horton	Group Executive Director (Acting) from 1 July 2024 until 25 October 2024	96,621	-	10,129	14,011	2,018	-	-	-	122,779
Michael White	Group Executive Director (Acting) from 28 October 2024 until 21 March 2025	102,574	-	11,233	18,259	13,440	-	-	-	145,506
Xiaoyan Lu	Group Executive Director (Acting) until 31 January 2025	145,391	-	16,148	18,039	4,138	-	-	-	183,716
Sean Benfield	Group Executive Director (Acting)	97,818	-	10,075	12,048	3,513	-	-	-	123,454
Alison Garth	Chief Finance Officer	175,486	-	10,965	24,969	8,202	-	-	-	219,622
Matthew Rigter	Chief Operating Officer (Acting)	19,954	-	1,994	2,295	707	-	-	-	24,950
Total		3,614,384	-	204,065	527,147	168,736	-	-	-	4,514,332

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

Note 1.2C: 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	17,815	-	-	-	-	506,568		
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	307,462	-	25,917	51,652	22,711	-	-	-	-	407,742		
Dr Anastasios Ioannou	Group Executive Director	276,433	-	25,917	48,085	18,208	-	-	-	-	368,643		
Jane Meade	Group Executive Director	213,725	-	21,032	40,240	7,423	-	-	-	-	282,420		
Bola Oyetunji	Group Executive Director until 3 April 2024	189,974	-	19,836	31,705	6,834	-	-	-	-	248,349		
George Sotiropoulos	Group Executive Director	317,904	-	-	56,695	11,196	-	-	-	-	385,795		
Jacqueline Walton	Chief Operating Officer (Acting)	252,798	-	25,932	43,905	10,925	-	-	-	-	333,560		
Lesa Craswell	Group Executive Director (Acting)	240,135	-	27,941	35,379	6,915	-	-	-	-	310,370		
Michelle Page	Group Executive Director (Acting) from 19 February 2024	89,788	-	9,079	12,789	3,392	-	-	-	-	115,048		
Xiaoyan Lu	Group Executive Director (Acting) from 19 February 2024	89,818	-	8,964	9,932	4,415	-	-	-	-	113,129		
Corinne Horton	Group Executive Director (Acting) from 15 May 2024	27,267	-	3,205	4,203	404	-	-	-	-	35,079		
Alison Garth	Chief Finance Officer	150,758	-	7,680	22,762	9,029	-	-	-	-	190,229		
Total		3,139,488	-	175,503	497,143	146,431	-	-	-	-	3,958,565		

Notes to 1.2B and 1.2C:

- This table is prepared on an accrual basis.
- This table reports the total remuneration of KMP who received remuneration during the reporting period.
- The short-term benefits is comprised of:
 - Base salary (including paid and accrued, paid while on AL; paid while on sick leave; higher duties allowance and purchased AL)
 - Any discretionary bonuses, including performance bonuses
 - Other benefits and allowances (SES), article allowance and Senior Executive Director allowance)
- The superannuation contributions amount is the ANAO's superannuation contributions, including productivity component, for the reporting period.
- 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.
- 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.
- 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 1.3: Remuneration Paid to Senior Executives

Note 1.3A: Senior executive remuneration

2024-25

Total remuneration bands	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 (a)	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration (a)
\$0 to \$220,000	21	\$ 83,022	-	\$ 12,129	\$ 12,873	\$ 5,431	-	\$ -	\$ 113,455
\$220,001 to \$245,000	2	173,898	-	20,605	23,321	6,391	-	-	224,215
\$245,001 to \$270,000	4	198,384	-	24,325	30,859	7,992	-	-	261,560
\$270,001 to \$295,000	8	213,370	-	26,043	31,457	8,787	-	-	279,657
\$295,001 to \$320,000	2	245,490	-	6,757	42,381	8,878	-	-	303,506
\$320,001 to \$345,000	1	247,216	-	24,920	42,922	5,759	-	-	320,817
\$395,001 to \$420,000 ^a	1	221,252	-	135,381	36,506	9,875	-	-	403,014

a) Other short-term benefits and allowances include overseas 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:

- This table is prepared on an accrual basis and excludes remuneration for Senior Executives for periods acting in capacity as KMP.
- This table reports the average total remuneration of Senior Executives who received remuneration during the reporting period.
- The short-term benefits are comprised of:
 - Average base salary (including paid and accrued; paid while on AL; paid while on sick leave; higher duties allowance and purchased AL)
 - Average bonuses – payable within 12 months; and
 - Average other benefits and allowances (SES vehicle allowance).
- The superannuation contributions amount is the average of the ANAO's superannuation contributions, including productivity component, for the reporting period.
- 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.
- Those ANAO officers that have been classified as KMP (as per Note 1.2B) have not been included in this note disclosure.
- 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.
- 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

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 (a)				Excluding overseas housing allowances	Including overseas housing allowances
				Average base salary	Average bonuses	Overseas housing allowances	Other		
				\$	\$	\$	\$	\$	\$
\$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	34,219	10,562	-	260,242	369,312

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:

- This table is prepared on an accrual basis.
- This table reports the average total remuneration of Senior Executives who received remuneration during the reporting period.
- The short-term benefits is comprised of:
 - Average base salary (including paid and accrued; paid while on AL; paid while on sick leave; higher duties allowance and purchased AL)
 - Average bonuses – payable within 12 months; and
 - Average other benefits and allowances (SES vehicle allowance).
- The superannuation contributions amount is the average of the ANAO's superannuation contributions, including productivity component, for the reporting period.
- 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.
- Those ANAO officers that have been classified as KMP (as per Note 1.2B) have not been included in this note disclosure.
- 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.
- 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

2024-25

Total remuneration bands	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 (\$) ^(a)	Average superannuation contributions (\$)	Average long service leave (\$)	Average other long-term benefits (\$)	Average termination benefits (\$)	Average total remuneration (\$)		
\$295,001 - \$320,000	1	168,016	-	113,582	26,305	6,441	-	-	314,344		
\$320,001 - \$345,000	1	176,835	-	114,983	26,176	6,098	-	-	324,092		

a) Other short-term benefits and allowances include overseas allowances 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.

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

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 ^(a)	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average	Average	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

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 identified 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

	2025 \$'000	2024 \$'000
Note 2.1A: Annual appropriations ('recoverable GST exclusive')		
Ordinary annual services ¹	96,125	91,456
Departmental capital budget ²	1,023	994
Receipts retained under PGPA Act - Section 74 ³	9,498	9,474
Total appropriation	106,646	101,924
Appropriation applied (current and prior years)	107,137	105,486
Variance⁴	(491)	(3,562)

¹Ordinary annual services include *Appropriation Act (No. 1) 2024-2025* and *Appropriation Act (No. 3) 2024-2025*.

²Amounts 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.

³PGPA Act - Under Section 74 of the PGPA Act the ANAO is allowed to retain receipts from certain activities. This amount includes fees charged on a cost recovery basis to conduct audits by arrangement under section 20 of the *Auditor General Act 1997*.

⁴The variance relates to funds being drawn from the prior year appropriation balance to deliver ANAO audit program of work and offset the ANAO deficit from continuing operations.

	2025 \$'000	2024 \$'000
Note 2.1B: Unspent annual appropriations ('recoverable GST exclusive')		
Departmental		
<i>Supply Act (No. 1) 2022-23</i>	-	171
<i>Supply Act (No. 3) 2022-23</i>	-	563
<i>Appropriation Act (No. 1) 2023-24</i>	351	23,177
<i>Appropriation Act (No. 1) 2024-25</i>	20,024	-
<i>Appropriation Act (No. 3) 2024-25</i>	1,214	-
<i>Cash Balance Appropriation Act (No. 1) 2023-24¹</i>	-	661
<i>Cash Balance Appropriation Act (No. 1) 2024-25²</i>	2,492	-
Total departmental	24,081	24,572

¹The ANAO inaccurately reported the unspent annual appropriations in 2023-24 by \$660,551.00, the cash balance in the ANAO departmental bank account. The 2023-24 financial year has been updated to reflect the difference.

²On the 30 June 2025, the ANAO received \$1,422,850.00 incorrectly paid into the ANAO's departmental bank account by audit clients. This amount was transferred to the ANAO's administered bank account on 1 July 2025, reducing the ANAO's unspent departmental annual appropriation as of 1 July 2025 to \$22,657,558.00.

	Appropriation Applied 2025 \$'000	Appropriation Applied 2024 \$'000
Note 2.1C: Special appropriations ('recoverable GST exclusive')		
Authority		
<i>Auditor-General Act 1997, Schedule 1, sections 3 and 7 Unlimited amount for the remuneration of the Auditor-General</i>	780	768
Total special appropriations applied	780	768

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

Note 2.2: Net Cash Appropriation Arrangements

	2025 \$'000	2024 \$'000
Total comprehensive loss - as per the Statement of Comprehensive Income	(6,515)	(6,039)
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/ or equity injections) ¹	1,242	1,667
Plus: depreciation right-of-use assets ²	2,417	2,413
Less: lease principal repayments ²	2,455	2,324
Net cash operating deficit	(5,311)	(4,283)

¹From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

²The inclusion for depreciation/amortisation expense related to Right-of-use leased assets, and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

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 2025.

Note 3.1: Expenses

	2025 \$'000	2024 \$'000
Note 3.1A: Suppliers		
Goods and services		
Consultants	852	1,197
Contractors	20,224	22,372
Information and communication technology	8,143	8,257
Travel	567	579
Professional development	953	967
Professional services	483	438
Staff related expenses	1,188	1,407
Recruitment	463	772
Property operating expenses	488	376
Other	484	562
Total goods and services supplied	33,845	36,927
Other suppliers		
Low value leases	25	50
Workers compensation expenses	448	338
Total other suppliers	473	388
Total suppliers	34,318	37,315

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.

	2025 \$'000	2024 \$'000
Note 3.1B: Finance costs		
Interest on lease liabilities	461	496
Total finance costs	461	496

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

	2025	2024
	\$'000	\$'000
Note 3.2A: Own source revenue		
Revenue from contracts with customers	2,533	2,902
Rendering of other services	324	536
International development funding	2,355	2,373
Total own source of revenue	5,212	5,811
Note 3.2B: Disaggregation of total own source of revenue		
Type of customer:		
Australian Government entities (related parties)	4,944	5,521
State and Territory Governments	-	74
Non-government entities	268	216
	5,212	5,811
Timing of transfer of goods and services:		
Over time	2,533	2,902
Point in time	2,679	2,909
	5,212	5,811

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.

International development funding revenue is received from Department of Foreign Affairs and Trade (DFAT) on as per the agreed activity schedules, all revenue is offset by the activities expenses.

Note 3.3: Revenue from Government

	2025	2024
	\$'000	\$'000
REVENUE FROM GOVERNMENT		
Note 3.3A: Revenue from Government		
Appropriations:		
Departmental annual appropriations	96,125	91,456
Departmental special appropriations	780	768
Total revenue from Government	96,905	92,224

Accounting Policy

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

	2025 \$'000	2024 \$'000
Note 4.1A: Cash and Cash Equivalents		
Cash and cash equivalents	2,492	661
Total cash and cash equivalents	2,492	661

Accounting Policy

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

	2025 \$'000	2024 \$'000
Note 4.1B: Trade and Other Receivables		
Trade receivables	1,281	692
Contract assets from contracts with customers	255	1,832
GST receivable from the Australian Taxation Office	238	490
Appropriation receivable	21,589	23,911
Total trade and other receivables	23,363	26,925

	2025 \$'000	2024 \$'000
Note 4.1C: Trade and Other Receivables - Administered		
Trade receivables	4,970	2,936
Contract assets from contracts with customers	3,812	6,567
Total trade and other receivables	8,782	9,503

Credit terms for goods and services were within 30 days (2024: 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:

As the ANAO's receivables relate to outstanding debts with other Commonwealth entities, no impairment has been recognised for 2024–25 (2023–24: 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 2025

	Leasehold Improvements	Buildings (ROU Assets)	Plant & equipment	Intangibles - Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2024					
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)
Total as at 1 July 2024	8,717	24,535	2,743	-	35,995
Additions - by purchase or internally developed	532	-	720	-	1,252
Additions - right-of-use assets	-	-	-	-	-
Revaluations and impairments recognised in other comprehensive income	-	-	-	-	-
Depreciation and amortisation expense	(669)	-	(573)	-	(1,242)
Depreciation on right-of-use assets	-	(2,417)	-	-	(2,417)
Write down and impairment of assets	-	-	(73)	-	(73)
Adjustments on right-of-use assets	-	17	-	-	17
Total as at 30 June 2025	8,580	22,135	2,817	-	33,532
Total as at 30 June 2025 represented by					
Gross book value	9,249	35,406	3,412	2,008	50,075
Accumulated depreciation, amortisation and impairment	(669)	(13,271)	(595)	(2,008)	(16,543)
Total	8,580	22,135	2,817	-	33,532
Carrying amount of right-of-use assets	-	22,135	-	-	22,135

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.

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. 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.

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

There are \$13,644 contractual commitments for the acquisition of property, plant, and equipment as at 30 June 2025 (2024: \$177,249).

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 2025, 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:

	2025	2024
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 (2024: 3 to 5 years).

Impairment:

All intangible assets were assessed for indicators of impairment at 30 June 2025.

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

Note 4.3: Liabilities

	2025 \$'000	2024 \$'000
Note 4.3A: Suppliers		
Trade creditors and accruals	2,636	2,888
Total supplier payables	2,636	2,888

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: 20 days).

	2025 \$'000	2024 \$'000
Note 4.3B: Other payables		
Unearned revenue	483	98
Other payables	3,906	2,572
Total other payables	4,389	2,670

Note 4.4: Interest Bearing Liabilities

	2025 \$'000	2024 \$'000
Note 4.4A: Leases		
Lease liabilities	29,511	31,949
Total leases	29,511	31,949
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	3,012	2,912
Between 1 to 5 years	12,908	12,641
More than 5 years	15,750	19,014
Total leases	31,670	34,567

Total cash outflow for leases for the year ended 30 June 2025 was \$2,455,432 (2024: \$2,324,000).

The ANAO in its capacity as lessee, entered into a lease contract for a period of 15 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

	2025 \$'000	2024 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	2,492	661
Trade and other receivables	23,363	26,925
Prepayments	1,114	976
Total no more than 12 months	26,969	28,562
More than 12 months		
Buildings (ROU Assets)	22,135	24,535
Leasehold improvements	8,580	8,717
Plant and equipment	2,817	2,743
Prepayments	13	-
Total more than 12 months	33,545	35,995
Total assets¹	60,514	64,557
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	2,636	2,888
Other payables	4,389	2,670
Leases	2,591	2,452
Employee provisions	5,529	4,995
Total no more than 12 months	15,145	13,005
More than 12 months		
Leases	26,920	29,497
Employee provisions	13,075	11,189
Total more than 12 months	39,995	40,686
Total liabilities	55,140	53,691
	2025 \$'000	2024 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	-	-
Trade and other receivables	8,782	9,503
Total no more than 12 months	8,782	9,503
Total assets	8,782	9,503
Liabilities expected to be settled in:		
No more than 12 months		
GST payable	326	266
Total no more than 12 months	326	266
Total liabilities	326	266

¹Total assets includes GST payable.

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

Note 5.2: Remuneration of Auditors

	2025	2024
	\$	\$
Fees for services provided		
Financial statements audit services	130,000	130,000
Performance statements audit services	74,000	69,700
Total	204,000	199,700

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.

Part 4 — Organisational governance, capability and risk management

The Auditor-General is responsible for delivering the functions set out in the *Auditor-General Act 1997* (the Act) and managing the Australian National Audit Office (ANAO) within the arrangements of the broader Australian Public Service (APS). Part 6 of the Act determines the ANAO to be an agency 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).

Governance

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

Governance structure

The ANAO's strategic planning framework describes our governance arrangements, including line of sight from the Portfolio Budget Statements to the corporate plan and annual audit work program, enabling frameworks, group plans through to individual performance agreements. It also includes our risk management and committees for strategic and operational management of the ANAO.

At 30 June 2025, the ANAO governance arrangements consisted of the Executive Board of Management, the ANAO's peak governance committee, as well as six subcommittees and three operational committees to support the board. The governance arrangements are also supported by an independent Audit Committee that provides advice to the Auditor-General.

The ANAO's governance arrangements 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 her statutory responsibilities as the ANAO's accountable authority under the PGPA Act.

Membership consists of the Deputy Auditor-General, ANAO group leads and the Chief Finance Officer. Table 4.1 shows the members of the board at 30 June 2025.

Board responsibilities include setting, approving and reviewing progress on the ANAO's direction, enabling the ANAO to deliver on strategic goals, commitments and initiatives outlined in the corporate plan. The board provides ANAO leaders an avenue to raise issues, risk and opportunities, including monitoring progress against the corporate plan, overseeing the annual budget and key business initiatives, and reviewing the methodology and quantum of charge-out rates.

The board meets monthly, and terms of reference are reviewed annually.

Table 4.1: Membership of the Executive Board of Management, at 30 June 2025

Board member	Position
Dr Caralee McLiesh PSM	Auditor-General, Chair
Ms Rona Mellor PSM	Deputy Auditor-General
Ms Carla Jago	Acting Deputy Auditor-General
Ms Lesa Craswell	Acting Group Executive Director, Financial Statements Audit Services Group
Mr Ian Goodwin	Group Executive Director, Performance Audit Services Group
Ms Peta Lane	Group Executive Director, Performance Audit Services Group
Mr George Sotiropoulos	Group Executive Director, Performance Statements Audit Services Group
Ms Jane Meade	Group Executive Director, Professional Services Group
Ms Sue Goodear	Chief Operating Officer, Corporate Management Group
Mr Sean Benfield	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 through the Auditor-General's monthly message by email and on the ANAO intranet.

Information on the remuneration of key management personnel is available at Note 1.2B of the 2024–25 financial statements.

Subcommittees

The ANAO's subcommittees support the board and ensure organisational accountability and transparency, providing oversight and risk management in specific areas of operations.

Subcommittees report to the board and the terms of reference for each committee are reviewed annually.

At 30 June 2025, the ANAO had six subcommittees (and one subgroup):

- **People and Change Committee** — provides strategic advice to the board on people and capability development and on managing change in the ANAO.
 - **Workplace Consultative Forum** — is a subgroup of the People and Change Committee and provides a platform for consultation and resolution of workplace relations matters.
- **Quality Committee** — provides assurance and assistance to the board on the ANAO's quality framework, and strategic and operational risks associated with quality.
- **Finance Committee** — advises the board on financial matters and monitors the strategic and operational risks associated with resources.
- **Security Committee** — provides assurance and assistance to the board on the ANAO's security framework and monitors associated strategic and operational risks.

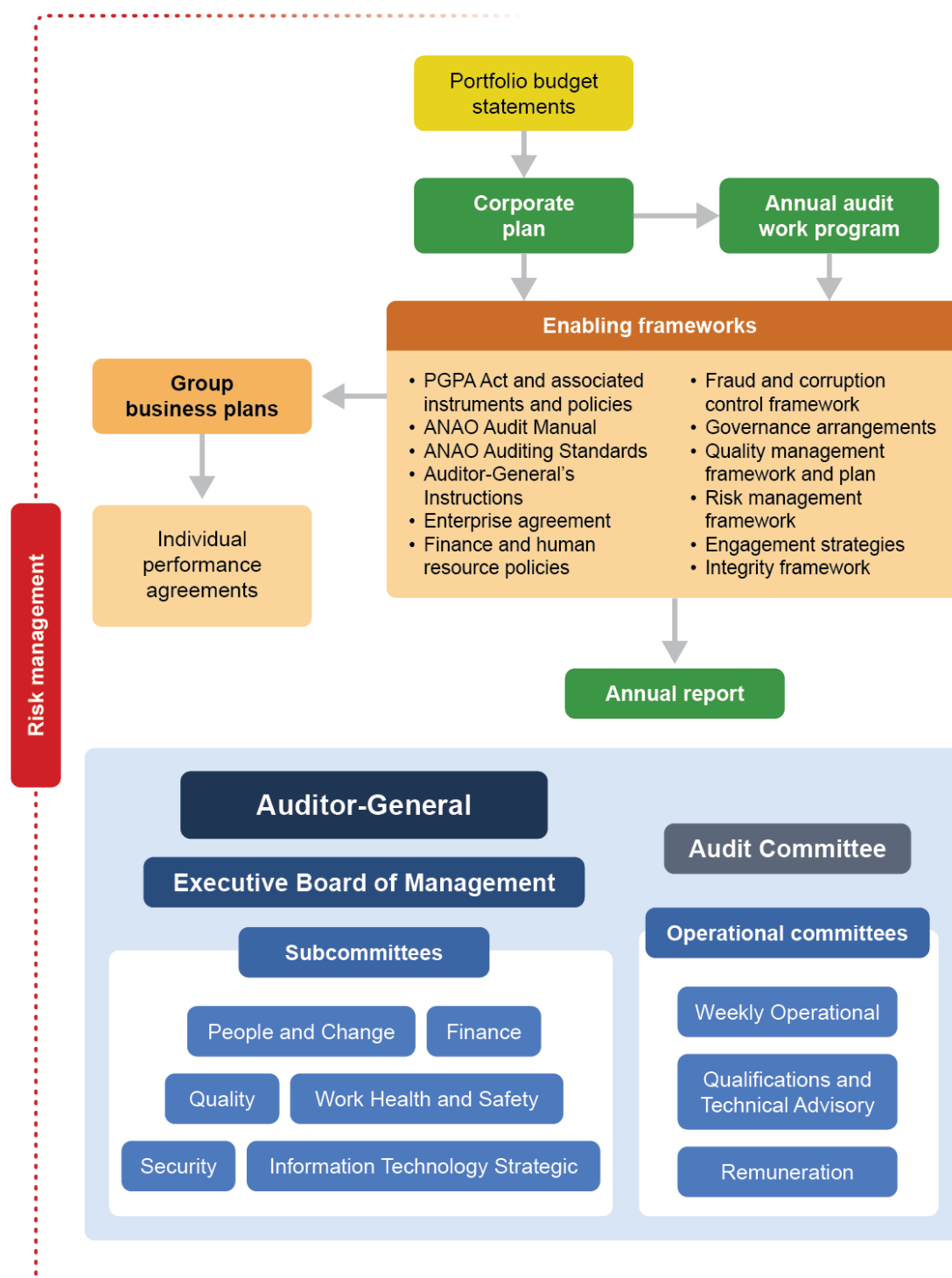
- **Work Health and Safety Committee** — monitors and reviews the ANAO's work health and safety (WHS) policies and practices, and advises the board on WHS matters.
- **Information Technology Strategic Committee** — provides advice to the board on information technology and business systems strategic directions, investments and monitors risks.

Operational committees

At 30 June 2025, 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.
- **Operational Committee** — oversees the operational activities of the ANAO, focusing on staffing, performance and external relations. The committee also reviews the status of the audit program in service groups, and any other matters of strategic importance to the ANAO.

Figure 4.1: ANAO governance arrangements and strategic planning framework, at 30 June 2025



Audit Committee

The Audit Committee provides independent oversight and advice to the Auditor-General, including reviewing the appropriateness of the ANAO's financial and performance reporting, systems of risk 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).¹¹

The Audit Committee met five times during 2024–25. Ms Cath Ingram commenced as chair on 24 September 2024, replacing Ms Maria Storti, whose contract term ended on 10 August 2024. Ms Jenet Connell commenced as a member on 18 October 2024, replacing Mr Bruce Meehan, whose contract term ended on 31 August 2024.

Details of the Audit Committee's membership in 2024–25, 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 2024–25

Member name	Qualifications, knowledge, skills, and experience	No. of meetings attended	No. of meetings eligible to attend	Total annual remuneration (incl. GST)	Role on committee and start date
Ms Cath Ingram	Independent chair and member of several Commonwealth audit committees. Former KPMG Lead Partner for the Australian Government account and Chair of the Canberra Office. Member and Fellow, Chartered Accountants Australia and New Zealand. Member and Fellow, Institute of Public Administration Australia. Bachelor of Arts in Accounting.	4	4	\$19,184	Chair (member since 24 September 2024)
Ms Jenet Connell	Member of a number of Commonwealth audit committees. Gateway reviewer for the Department of Finance (November 2024).	4	4	\$9,032.72	Member (since 18 October 2024)

¹¹ The direct electronic address for the charter is anao.gov.au/sites/default/files/2025-05/ANAO%20Audit%20Committee%20Charter_updated%20May%202025.pdf.

Member name	Qualifications, knowledge, skills, and experience	No. of meetings attended	No. of meetings eligible to attend	Total annual remuneration (incl. GST)	Role on committee and start date
	Adjunct Professor, Faculty of Business, Government and Law, University of Canberra (since February 2025). Master of Organisational Psychology.				
Mr Peter Quiggin PSM KC	Former First Parliamentary Counsel. 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	5	\$11,000	Member (since 1 February 2023)
Ms Maria Storti	Independent chair and member of several Commonwealth audit committees and non-executive director. Former EY advisory partner and worked with PwC in the areas of audit, consultancy, and risk. Senior executive roles in various sectors, including responsibility for corporate planning and performance reporting. Fellow of Chartered Accountants Australia	1	1	\$3,850	Chair (13 October 2022 – 10 August 2024)

Member name	Qualifications, knowledge, skills, and experience	No. of meetings attended	No. of meetings eligible to attend	Total annual remuneration (incl. GST)	Role on committee and start date
	and New Zealand, Fellow of the Australian Institute of Company Directors, and member of the Institute of Internal Auditors – Australia. Master of Business Administration and Bachelor of Economics.				
Mr Bruce Meehan	Former PwC and EY partner with over 40 years of professional services experience. Extensive offshore experience in Europe, the United States, and the Asia-Pacific region. Member of Chartered Accountants Australia and New Zealand. Bachelor of Commerce and Graduate Diploma in Information Technology.	1	1	\$2,750	Member (1 September 2021 – 31 August 2024)

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 board regularly monitors 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 our resources to ensure we deliver on the priorities of 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 and the work program complements the corporate plan. The work program 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 2024–25 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. Each year it is refreshed to articulate 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 entities of the planned coverage of the Australian Government sector. The program presents information on the financial statements audits, potential 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 selection of performance audits for the work program, the Auditor-General gives particular consideration to the following six areas:

- Risk — financial and non-financial risk at the whole-of-system, portfolio and individual program levels
- Impact — possible benefits that will flow from audit coverage, including improved transparency, administrative effectiveness, greater efficiency, improved performance and learning and insights
- Importance — the criticality of the effective and efficient delivery of the proposed topic to key stakeholders, including the Parliament
- Materiality — the significance of the program in terms of the value, dependence and citizen reach, and the extent to which the program contributes to the broader objectives of government
- Auditability — the extent to which the topic is able to be audited, with consideration for the Auditor-General's mandate, the availability of an appropriate audit methodology, and the clarity of existing frameworks and requirements to audit against
- Previous coverage — the extent to which the area has been subject to previous audit coverage or other recent reviews and inquiries, including by the Parliament.

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 obligation to have regard to the audit priorities of the Parliament. A draft annual audit work program is also published on the ANAO's website for public consultation.

The key focus areas for the 2024–25 annual audit work program included:

- the key accountabilities as outlined in the *Public Governance, Performance and Accountability Act 2013* including efficiency, effectiveness, economy and ethics;
- significant government procurement activities and grants program administration;
- entity implementation of agreed recommendations made by the ANAO and parliamentary committees;
- compliance with government legislation and policy frameworks;
- effective delivery of services to citizens;
- cyber security 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 Australians, and programs focussed on climate change, energy and the environment.

The audit outcomes for the 2024–25 annual audit work program also inform the annual audit work program for 2025–26.

Organisational capability

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 expertise and flexibility to meet future needs.

The ANAO's [Corporate Plan 2024–25](#) outlined capability investments we would make to ensure that we continue to deliver on our purpose. The areas of investment were:

- workforce;
- productivity;
- technology, data and information management;
- quality; and
- learning from peers.

The information below reports on our progress in implementing these capability investments.

Workforce

At the ANAO, we are proud to be a highly professional workforce of curious, ethical and critical thinkers who share a strong commitment to excellence in auditing and public service.

At 30 June 2025, the ANAO had a headcount of 471 ongoing employees. The attrition rate at that date was 14.8 per cent, compared to 22.3 per cent for 2023–24.

All ANAO employees have access to flexible working arrangements. At 30 June 2025, 209 employees had a formal flexible working arrangement in place, with an average 51 per cent of employees attending the ANAO office each day, noting auditors are mobile workers visiting entities and conducting fieldwork in various locations.

Workforce information, including composition, employment instruments, diversity data and salary details, is provided in Appendix C.

Workforce plan

We have made considerable progress in implementing our Workforce Plan 2022–25, with 28 of the 32 priority initiatives successfully delivered or on track for completion by the end of 2025.

Highlights from 2024–25 include enhancements to the graduate development program to strengthen core public sector capabilities, improvements to recruitment and onboarding processes, and the continued evolution of our human resources business partnering model.

Development of a new workforce plan is underway to support the organisation’s workforce and strategic priorities for 2025–26 and beyond.

Attracting talent

Recruitment

In 2024–25, 850 people applied for roles at the ANAO. During this period, the ANAO completed 39 external recruitment processes, resulting in the transfer of 36 employees from other APS agencies, the engagement of 40 new employees, 59 internal promotions and 5 external promotions.

During the year, we refreshed our recruitment processes and guidance to support a 30-day target timeframe for recruitment, provided more comprehensive and practical briefings for panel members, strengthened assessment methodologies, and ensured reasonable adjustments are available to support the needs of diverse candidates.

Staff development was supported through internal mobility opportunities (including through expressions of interest), enabling employees to build capability through both temporary and ongoing roles. Secondments and temporary transfers from other APS agencies helped fill critical vacancies, while outbound assignments offered valuable professional development and career growth opportunities.

Induction program

To support new employees, the ANAO introduced a new induction pathway designed to help them develop essential capabilities and build their knowledge more effectively. The pathway includes a suite of online induction learning modules and the *ANAO Culture and Connection* workshop, which offers new employees the opportunity to engage with members of the ANAO leadership group early in their employment.

We also established the *ANAO Essentials Hub* — a centralised platform that provides key information such as our values, ways of working, policies, and vital resources for working at the ANAO.

Graduate program

The ANAO's 12-month graduate program provides recent university graduates with a strong foundation for a career in the ANAO and the Australian Public Service. Graduates work alongside experienced professionals and participate in targeted training and development activities.

In 2024–25, 30 graduates commenced the program (Table 4.3), bringing diverse academic backgrounds including IT, computer science, social science, accounting, data science, and mathematics. The graduates joined through two intakes, in October 2024 and February 2025.

The 2024–25 cohort was five fewer than the previous year.

Table 4.3: Number of recruits in the 2025 graduate program (by ANAO group)

ANAO group	Total graduates hired
Performance Audit Services Group	13
Financial Statements Audit Services Group	5
Performance Statements Audit Services Group	6
Corporate Management Group	1
Professional Services Group	1
Systems Assurance and Data Analytics Group	4
Total	30

Intern program

We also continued our paid intern program, offering nine placements to enable emerging talent to gain valuable work experience within the Financial Statements Audit Services Group and the Systems Assurance and Data Analytics Group.

Developing our people

In 2024–25, the ANAO made strong progress in building capability by investing in technical development, strengthening leadership and management skills, and delivering targeted learning to support professional growth. We use the ANAO's Core Capability Framework to define the knowledge, skills, and behaviours required across three curriculum areas:

- **Essentials** — foundational and public sector capabilities for all roles
- **Technical** — job family-specific and professional capabilities
- **Leadership** — management and leadership capabilities for current and future leaders

ANAO auditors are expected to complete a minimum of 20 hours of professional development per financial year; and expected to fulfil the professional development requirements of the professional bodies of which they are members. This policy forms part of the [ANAO's audit manual](#).

ANAO Academy

In 2024–25, the ANAO Academy offered a number of programs and key achievements including the following:

- Delivery of 180 live learning experiences across face-to-face and online formats
- Enhancement of the Graduate Development Program

- Expansion of the Talent Development Program to support 32 high-performing and aspiring APS and executive level leaders
- Launch of the *Academy Accelerator Series* — monthly, practitioner-led sessions focused on building critical capabilities
- Implementation of the refreshed induction pathway, including a centralised resource hub, induction workshop and online modules
- Delivery of in-house workshops focused on *Managing Audit Projects*, *Coaching and Developing Others*, and *Management in Action*.

To support compliance with APS frameworks, legislation and performance standards, an updated suite of mandatory training modules was launched. Completion rates for mandatory training are monitored by the Executive Board of Management (EBOM). All staff must confirm that their mandatory learning is up to date at formal performance review points.

LearnFest 2024

In November 2024, we delivered LearnFest, a week-long learning event aimed at building organisational capability and fostering a positive, inclusive workplace culture. The theme, *Future-Ready: Grow – Excel – Lead*, attracted 2,884 registrations across 14 events.

Highlights included a keynote address by Auditor-General Dr Caralee McLiesh PSM and an AI panel featuring experts from across the public sector. Other popular sessions focused on performance management, the value of a neurodiverse workforce, coaching and Power BI.

Retaining high-performing staff

Our retention efforts focused on retaining high-performing staff by reinforcing the value of our work through reward and recognition, increasing staff engagement activities and internal communication, supporting flexibility, wellbeing, and growth and development.

Reward and recognition

Our rewards and recognition program supports talent retention by valuing excellent performance, leadership and teamwork.

The framework includes informal mechanisms throughout the year and formal awards presented by the Auditor-General at end of financial year and at Australia Day ceremonies. In July 2024, the Auditor-General recognised nine individuals and three teams. In January 2025, five individuals and four work groups received Australia Day awards.

Health and wellbeing

The ANAO prioritises employee health and wellbeing by fostering a safe, supportive work environment that supports physical, mental, social and emotional needs in the workplace.

Wellbeing initiatives include on-site Employee Assistance Program counsellors, annual health checks, flu vaccinations, workstation assessments and subsidised eyesight testing and spectacles.

Strengthening HR policies and performance support

In 2024–25, we refreshed several human resource policies to align with the ANAO Enterprise Agreement 2024–2027, ensuring workplace practices remain consistent, fair and flexible. This review

process included extensive staff consultation to guarantee the policies effectively address workforce needs and reflect the evolving workplace environment.

We also improved support for managers and employees throughout the performance management cycle. This included the introduction of 'HR Information Sessions' designed to provide practical guidance on key topics such as giving and receiving feedback and fostering a constructive and transparent performance culture.

In 2024–25, we also strengthened our HR business partner model, fully embedding it across all groups to align HR with business strategies. This includes ongoing executive engagement and data-driven decision support. HR business partners also ensure compliance with regulations and manage complex employee issues related to wellbeing, performance and the APS Code of Conduct.

Flexible work

Flexible work is a core part of how the ANAO operates and is supported by the ANAO Enterprise Agreement. All staff use activity-based working, choosing their workspace daily to best suit their needs.

The ANAO supports staff to work flexibly by providing mobile technology and an updated flexible working policy that clarifies arrangements for working outside Canberra. Managers can quickly approve informal flexible work with minimal paperwork, enabling agility, while formal arrangements offer certainty for longer-term needs.

APS Employee Census 2024 — ANAO results and action plan

The 2024 APS Employee Census 2024 was conducted from 6 May to 7 June 2024, with [results](#) received in August 2024. Of the ANAO's 432 employees, 400 participated in the survey — a 93 per cent response rate and representing an increase of four percentage points compared to the 2023 census. Once again, the ANAO achieved a higher participation rate compared to the overall APS rate of 81 per cent. Strong engagement from ANAO employees provides greater confidence in the survey results, offering valuable insights into how employees feel about their workplace.

The ANAO results were positive overall, reflecting a workforce that is strongly aligned with the organisation's purpose. The ANAO performed well across key indices, with 'employee engagement' scoring 75, 'leadership – immediate supervisor' 79 and 'leadership – SES manager' 77. These results indicate sustained high performance over the past 12 months and position the ANAO above the overall APS averages in these areas.

The ANAO received an index score of 69 for 'wellbeing policies and support', and 62 for 'enabling innovation' and compared to the overall APS (71 and 64 respectively), our results were slightly lower for these measures.

Our [Census Action Plan 2024–25](#) was published in December 2024. The ANAO identified key areas for improvement: supporting the health and wellbeing of our staff, and supporting diversity and inclusion to drive a more innovative and corporative workforce.

During 2024–25, several activities and initiatives were implemented to support and improve employee experience in these areas, including:

- targeted, regular wellbeing communication and events;
- implementation of a range of resources to support staff wellbeing;

- staff dialogue sessions, facilitated by members of the ANAO executive, to foster staff engagement and inspire innovation; and
- establishment of the Diversity and Inclusion Council.

Final progress against the action plan will be reported in the next census action plan.

Technology, data and artificial intelligence

The ANAO continued to drive improvements to our working environment and productivity through technology, data and use of artificial intelligence (AI). In 2024–25, we:

- engaged a new IT managed services provider to optimise the investment in our digital environment, cloud-based infrastructure, and technology platform to provide on-demand capacity and scalability, along with increased security controls over the network;
- initiated a project to trial the use of artificial intelligence (AI) in our work;
- increased our use of data analytics, adopted new audit solutions and systems that automate procedures, and modernised back-end infrastructure; and
- modernised our ways of working by enhancing our flexible workplace infrastructure with additional workstations to cater for the number of employees who are in the office, upgraded meeting spaces, and installed new audio-visual equipment.

In 2024–25, we implemented our security management framework — the ANAO’s overarching framework for protective security. The framework supports the quality and integrity of our audits, as well as our information technology initiatives. The ANAO worked with security agencies in 2024–25 to enhance our capability and approach to managing cyber and other security risks.

Data analytics

Contemporary audit work is largely reliant on digital records and evidence, and the ANAO ingests significant amounts of data to carry out its work. The ANAO aims where possible to use large data at entities, however at times is required to have data transferred to it.

The ANAO continued to invest in capabilities to support data analytics in audits. A specialist data analytics team designs and develops standardised analytics solutions that offer a consistent, data-driven approach to common areas of audit testing — currently three standard solutions are used across a range of financial statement audits. The specialist team also works on bespoke solutions tailored to individual audit and business needs and supports corporate functions by streamlining internal performance reporting.

In 2024–25, new solutions were developed to support the testing of controls in financial management information systems and were used successfully by audit teams. Additionally, work progressed on expanding existing financial statements audit solutions for broader use cases.

Responding to emerging technology issues

The ANAO continues to develop its capability to provide assurance to Parliament on emerging issues and risks arising from the adoption of new technologies within the public sector. Our capability will be strengthened with experience and lessons learned from audits.

Auditing the governance of the use of artificial intelligence

In 2024–25, the ANAO completed its first audit examining the governance of implementation of artificial intelligence in the Australian Taxation Office. The ANAO will continue to build its capability to undertake more technical audits of AI governance, tools and processes used in the public sector.

The ANAO is monitoring the adoption of new technologies by entities, as well as insights from peer institutions in Australia and overseas, to inform future audit work, business processes, products and services.

Using artificial intelligence in our work

In 2024–25, the ANAO published a [transparency statement](#) that described our use of AI — as required by the Digital Transformation Agency (DTA). We also developed a policy for use of AI in the ANAO, drawing on the work of the DTA, Department of Finance’s assurance framework for the adoption of AI, and the Auditing and Assurance Standards Board. The ANAO’s AI policy will help ensure that staff can use AI safely and ethically, while exploring use cases that enhance our ability to focus on high-value audit work.

The ANAO also conducted a small pilot of the use of Microsoft Copilot to provide us with confidence to expand the use of the tool in 2025–26.

Quality

The quality of ANAO audit work is reliant on the strength of its independence and quality framework. The ANAO’s quality management framework and plan articulate the system of quality management that the ANAO has established to support the delivery of high-quality audit work, and enable 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 2024–25](#) in July 2024. In November 2024, the ANAO published its [Audit Quality Report 2023–24](#), which sets out the Auditor-General’s evaluation of the implementation and operating effectiveness of the quality management framework in 2023–24. 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 Management Framework and Plan 2023–24.

In 2024–25, the ANAO continued delivery of enhancements to its quality management framework. Improvements focused on lessons learned through the inaugural evaluation of the quality management system and included:

- improving clarity in monitoring processes through alignment of deficiencies to a single, relevant quality objective;
- establishing an annual attestation process for private sector firms contracted for financial statements audits to attest to the application of robust quality frameworks in delivering services to the ANAO; and
- streamlining internal evaluation processes to improve governance oversight and efficiency in data collation.

The ANAO continued to strengthen its root cause analysis throughout the year, with emphasis on identifying key quality risks arising from thematic quality deficiencies. In April 2025, the ANAO completed its quality assurance program for financial statements and performance statements audits, as well as for completed performance audits for 2024–25. The ANAO undertook root cause analysis of financial statements audits in parallel with the finalisation of the quality assurance reviews, and developed follow-up actions to address the underlying drivers of identified deficiencies. Root cause analysis was not required in 2024–25 for performance statement audits and performance audits as no thematic or significant findings were identified.

In November 2024, in parallel with the internal real-time quality assurance review of financial statements audits, the ANAO completed a special monitoring program focused on specific aspects of the financial statements audit methodology. This included consideration of using the work of another ANAO auditor to identify areas for improvement and ensure that the work performed and the documentation in audit files was consistent, effective and efficient. The special monitoring program identified that, overall, the ANAO's methodology is fit for purpose and aligns with the requirements of relevant ANAO auditing standards.

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 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 2024–25, the ANAO developed a sustainability assurance services implementation plan for auditing of Commonwealth entities required to prepare a sustainability report under the *Corporations Act 2001*, and worked with Australasian Council of Auditors-General peer offices to determine a suitable sustainability assurance methodology.

Learning from peers

In pursuing its purpose, the ANAO maintains key relationships with various national bodies and counterparts, as well as international counterparts, as described below. We engage with peers in the public sector auditing community and the broader public sector.

The ANAO website contains further information about the ANAO's [relationships](#).

National relationships

The ANAO has 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 management of public resources) and the governance frameworks that accountable authorities put in place in their entities to meet their obligations under the PGPA Act.

The Auditor-General engages directly with accountable authorities about the proposed annual audit work program and upcoming audits. In addition, the ANAO engages at other levels within entities to promote improved financial reporting and public sector administration, including through attendance at entities' audit committee meetings.

The ANAO's ongoing relationships with chief financial officers (CFOs), officials responsible for preparing performance statements, and audit committees helps 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 2024–25, the ANAO hosted the Financial and Performance Reporting Forum on three occasions — in [July 2024](#), [November 2024](#) and [June 2025](#) — the events were attended by approximately 192, 140, 265 CFOs and entity representatives, respectively. The forums were presented as webinars and provided 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.

Audit committees are a requirement of the PGPA Act and they play an important assurance role in entities' governance frameworks. The ANAO hosts the Audit Committee Chairs Forum twice a year, held both in person and virtually. The [July 2024](#) and [December 2024](#) events were attended by 61 and 50 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 contributed to ACAG's work by participating in 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. The ANAO has also supported the Papua New Guinea Office of the Auditor-General (PNG AGO) in its ACAG activities, through the partnership program with two ANAO employees deployed to the PNG AGO.

Ongoing strategic issues for discussion with ACAG members include the importance of integrity and independence and new reporting requirements such as climate change reporting.

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 National 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 provided 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 dialogue about public auditing 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 provide opportunities to learn about the work of other audit offices, discuss common challenges, and gain a deeper understanding of international best practices. These engagements align with the ANAO's strategic interests and developments in the Australian public sector, including environmental auditing, emerging technologies, and data practices.

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 the economy, effectiveness and efficiency of government programs for the benefit of all.

The ANAO is a member of the following INTOSAI working groups and committees:

- Working Group on IT Audit;

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

The ANAO has a representative member — Ms Jane Meade, Group Executive Director Professional Services Group — 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.

The ANAO also 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 2024–25, 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 outlined below.

INTOSAI engagements

- 16th Performance Audit Subcommittee annual meeting in March 2025 in Romania, attended by one ANAO official.
- 5th Working Group on Impact of Science and Technology on Auditing meeting in May 2025, attended virtually by two ANAO officials.
- Forum for INTOSAI Professional Pronouncements in India in May 2025, attended by one ANAO official. Virtual meetings attended by one ANAO official in January and February 2025.
- Virtual participation by two ANAO officials in meetings of project groups for two initiatives under the INTOSAI Strategic Development Plan 2023–2028.

PASAI engagements

- The ANAO hosted (with support from the ACT Audit Office) the PASAI Regional Working Group on Environmental Auditing from 17 to 19 September 2024. The theme of the meeting was 'auditing in the blue economy' and the two sub-themes were 'oceans and waterways' and 'climate change and natural disasters'. The event was attended by 90 participants (in person and online) from across the Pacific region. Representation included auditors-general from Tonga and Pohnpei State, Federated States of Micronesia. There was also representation from the INTOSAI Working Group on Environmental Auditing (WGEA), namely, representatives from the National Audit Office of Finland (WGEA secretariat) and the Maldives Auditor General's Office.
- The Acting Auditor-General attended (virtually) the 15th PASAI Annual General Meeting in September 2024.
- The Deputy Auditor-General presented to the PASAI Women's Community of Practice series on her leadership journey as a woman in December 2024.
- The Auditor-General participated in a virtual panel discussion for International Women's Day in March 2025. This event was also attended by several ANAO staff members.

- The Auditor-General became a member of PASAI's Governing Board and attended governing board meetings (virtually) in March and June 2025.

ASOSAI engagements

- 16th ASOSAI Assembly in India in September 2024, attended by one ANAO official.

Other engagements

- Study tour to New Zealand on performance statements and measures in August 2024, undertaken by one ANAO official.
- Performance audit peer review to New Zealand's Office of the Auditor-General in November 2024, attended by two ANAO officials.
- 19th Joint Strike Fighter Supreme Audit Institution Conference in Italy in October 2024, attended by one ANAO official.
- Commenced a secondment program with the Board of Audit and Inspection of Korea (BAI Korea). One official from BAI Korea was seconded to the ANAO for a 12-month period.

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. 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 objectives of BPK's strategic plan objectives. The program has been pivotal in facilitating knowledge exchange between organisations.

The key focus areas of the 2024–25 work program were:

- the Women in Leadership mentoring program;
- performance and financial audit management;
- quality assurance systems and processes; and
- strategic leadership and organisational development to support audit management and capability.

In a recent report on significant outcomes from the partnerships between Prospera, the Australian Public Service and the Indonesian Government, Prospera highlighted the ANAO's ongoing and high-quality work in the partnership. Of particular note was the recent peer review of the Mongolian National Audit Office, which the ANAO conducted in partnership with BPK, Prospera also acknowledged the work that the ANAO and BPK have done to support gender equality, through the delivery of initiatives such as the Women in Leadership mentoring program and the Women with Children secondment program — both designed to empower female staff and foster a more

inclusive workplace. In its May 2025 report ‘APS Most Significant Change Evaluation’ Prospera, Australia-Indonesia Partnership for Economic Development stated:

Another success story was the collaboration between ANAO and Prospera advisory on the program design for the secondment of women with children. The program design was informed by a 2019 evaluation jointly conducted by ANAO and Prospera which identified opportunities for immersive activities to support greater participation of Audit Board of Indonesia staff with parenting responsibilities and/or a disability.

Supported by the senior adviser deployed to BPK, the relationship between the organisations has continued to mature, reflecting the strength of bilateral engagement. The relationship is one of mutual learning, and work plan activities have shifted focus to deepening the opportunity for two-way learning. The program activities were designed to ensure the sustainability and continuity of the relationship, particularly at the emerging and senior leaders level.

Australia – 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 Office of the Auditor-General (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 2024–25 work program were management of institutional linkages, quality assurance, performance audit, information technology audit support, governance frameworks, and organisational capacity development.

Both the senior advisers have continued to play a critical role in the delivery of program objectives. The technical senior adviser worked with the PNG AGO to bring the audits of the PNG Government financial statements (public accounts) up to date. With support from the executive senior adviser, an important milestone was reached for the partnership with the completion of the agency capacity diagnostic report, which was started in 2019.

The ANAO, in partnership with the PNG AGO, delivered the 11 planned activities for 2024–25 across three streams: supporting organisational development; supporting individual development and leadership capabilities; and technical audit support and training.

Risk management

Risk management is a critical component of the ANAO’s approach to good governance, and is integrated into our strategic planning framework, governance, work practices and culture.

Risk management framework

The ANAO’s Risk Management Framework 2025–27 is based on adherence to the Commonwealth Risk Management Policy, which adopts definitions outlined in ISO 31000:2018 *Risk Management — Guidelines*. The framework, including the ANAO’s enterprise risk register, is available on the ANAO website.

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 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 review points all consider risk.

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. Recent updates to the risk management framework resulted in the ANAO articulating:

- a low-risk appetite in its business-critical activities that directly impact the reputation of the office and our ability to support the Parliament effectively — these matters include quality, noncompliance and maintaining independence; and
- a medium risk appetite towards matters that have the potential to improve our efficiency and effectiveness without compromising integrity, quality and the delivery of the ANAO's purpose.

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

In 2024–25, the board began a series of 'deep dives' into the enterprise risks and these deep dives will continue into 2025–26. The board also commissioned a working group to provide different perspectives on the enterprise risks identified.

In 2024–25, the ANAO actively managed several corporate and audit risks. These were risks related to budget, audit quality, access to information for audit purposes, confidentiality of information, and internal audit findings resulting in recommendations.

The ANAO conducts periodic reviews of its internal controls and compliance framework. These reviews consider factors such as the size of the office and its functions, the risk profile of the office, resource management arrangements, and compliance history. The committees, as well as internal audit and 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.

In 2026–27, the ANAO will commence reporting on climate disclosures as part of Tranche 3 of the Commonwealth Climate Disclosures arrangements. Preparation is required for the ANAO to be well placed to report on climate disclosures, including the undertaking of a risk assessment and considering how we address identified climate risk to the ANAO's business. In 2025–26, the ANAO will prepare for this reporting responsibility by conducting risk assessments and incorporating the results into the ANAO's existing governance and risk management activities.

Internal audit

In 2024–25, the ANAO's internal auditor, Sententia, completed the following internal audit reports:

- In-flight Review of Managed Service Procurement (August 2024);
- ANAO Audit Manual Compliance (August 2024);

- Procurement of Financial Statement Audit Service Providers (October 2024);
- Financial Statements Audit Services Group Efficiency Review (February 2025); and
- ANAO IT General Controls (February 2025).

The five completed internal audits made 16 recommendations in total.

Following the Audit Committee meeting on 11 June 2025, the implementation of 12 of the agreed recommendations remain in-progress for the following reports:

- ANAO Travel and Expense Management (June 2024) — one recommendation.
- ANAO Audit Manual Compliance (August 2024) — two recommendations.
- ANAO IT General Controls (Feb 2025) — five recommendations.
- Financial Statements Audit Group Efficiency Review (Feb 2025) — four recommendations.

Eleven of the 12 recommendations in-progress had an anticipated completion date of 30 June 2025. Completion of these recommendations will be endorsed by the ANAO's Audit Committee in its September 2025 meeting. One recommendation has an anticipated completion date of 30 November 2025.

One management-initiated review was undertaken on long service leave entitlements, with five recommendations in total.

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* (PGPA Act).

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.

Our review of the control environment also includes consideration of our approach to:

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

Regular reviews of controls are undertaken by management and by internal audit.

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. The ANAO applies probity and conflict of interest requirements that are appropriate and proportionate to the scope, size and risk level of the procurement. All staff involved in assessing procurements are required to adhere to probity requirements and the procurement team provides comprehensive probity briefings for all procurement activities, covering key areas of ethics and the proper management of conflicts of interest to ensure impartiality and fairness.

For more complex procurements, the ANAO seeks to engage nominated probity advisers, who may be internal ANAO staff or specialised external probity experts, to ensure the highest standards of integrity and transparency are achieved throughout the evaluation process.

The ANAO ensures that all tenderers are treated equitably and that due diligence is undertaken commensurate with the scale, scope and risk of each procurement to verify the ethical standing of potential suppliers. The ANAO monitors the supplier's ethical behaviour throughout the contract term, utilising periodic performance reporting and including 'notification of significant event' clauses in contracts. Additionally, the ANAO ensures that all confidential information collected or received is handled with the utmost care during and after the procurement process, in accordance with the principles of ethics and probity.

The ANAO's [integrity framework](#) provides an overarching structure to the ANAO's integrity control system that supports and enables institutional integrity. The framework supports ethical decision-making and transparency through connecting legislation, policies and processes that influence organisational integrity, integrates processes and controls, and embeds integrity within the ANAO's culture. The framework and processes include good governance practices, publishing of gifts and benefits, and an ongoing focus on independence in the delivery of our work.

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 Fraud and Corruption Strategy 2024–2026](#) came into effect on 1 July 2024. The Chief Operating Officer is responsible for managing the strategy — 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.

There were three incidents of suspected fraud or corruption reported in 2024–25. All three are being investigated and are not yet finalised.

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 must be completed by new staff, and completed annually, as a refresher, for all staff. Training completion rates are monitored.

In 2024–25, 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

Consistent with the ANAO's position on 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 2024 calendar year and for January to June 2025 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 ANAO's Executive Board of Management, and a subset of the data is [reported publicly](#), exceeding the APSC requirements, consistent with our position on transparency.

Outside employment

The ANAO supported its workforce in engaging in a variety of flexible work arrangements, including outside employment and volunteer activities such as election-related work, in 2024–25. These opportunities help build capabilities that support leadership development and professional growth within the organisation.

ANAO employees are encouraged to participate in outside employment and volunteer work when these activities align with the public interest and offer professional benefits to both the individual and the ANAO. Outside employment includes paid or unpaid work undertaken alongside official APS duties or during periods of paid or unpaid leave. This covers election-related roles, volunteer commitments, and other professional or community-based engagements.

Declarations during the year reflected a wide range of activities, including employment with electoral commissions, participation on boards and advisory committees, community and environmental volunteering, military and emergency service duties, and casual roles in education, hospitality and retail. These activities were generally undertaken outside standard working hours and were assessed for any real or perceived conflicts of interest in line with ANAO policy.

All employees must obtain prior approval for outside employment or related activities unless specifically excluded under ANAO policy. Employees who had outside employment before joining the ANAO are required to seek approval to continue these activities upon commencement. Approval is not required for personal activities, volunteer community work, or passive investments such as rental properties or share trading, provided these are undertaken in personal time, without use of ANAO resources, and do not conflict with official duties.

By supporting employees in these activities, the ANAO fosters leadership capability and broadens the professional experience across its workforce, contributing to the agency's overall effectiveness and adaptability.

At 30 June 2025, the ANAO had 34 approvals recorded for staff undertaking outside employment.

Compliance survey

ANAO staff who exercise delegated powers and responsibilities assert their compliance with the financial framework, including compliance with the PGPA Act, by completing a compliance survey. 21 instances of non-compliance were reported for the 2024–25 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 six instances where procurements made by the ANAO were registered on AusTender after 42 days and one instance 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 13 instances of misuse of the ANAO's corporate credit card in 2024–25. This represents approximately 0.2 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.

There was one non-significant breach relating to the ANAO's governance frameworks and policy documents. This instance has been investigated. The ANAO has taken steps to educate staff to ensure compliance with the ANAO's governance frameworks and policy documents.

External scrutiny

The ANAO's operations, processes and reports are 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 JCPAA. The Independent Auditor position is a part-time statutory appointment for a period of at least three years and not more than five years. 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 also 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 2025.

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 2024–25. The ANAO was not the subject of any agency capability reviews or reports by the Commonwealth Ombudsman in 2024–25.

The ANAO is subject to external review through peer review arrangements with international colleagues. In August 2024, the Controller and Auditor-General of New Zealand wrote to the Acting Auditor-General for Australia outlining the results of the [review of two performance audits](#). Both performance audits were assessed as satisfactory.

In 2024–25, the ANAO planned to be subject to a peer review process using the Supreme Audit Institution Performance Measurement Framework (SAI PMF) that has been developed by the International Organization of Supreme Audit Institutions (INTOSAI). This process provides national-level audit offices with a framework for a holistic and evidence-based evaluation of performance. To conduct the evaluation, auditors from other international audit offices would conduct fieldwork in person at a cost to the ANAO. We did not proceed with the peer review in 2024–25.

The ANAO also has a voluntary arrangement with the Australian Securities and Investments Commission (ASIC) for the review of financial statements audit files. During 2024–25, the Auditor-General agreed to pause this arrangement in order to establish safeguards to manage perceived conflicts of interest arising while undertaking performance audit of ASIC's regulatory functions applying to company auditors. The review of financial statements audit files is expected to recommence in early 2026.

Other management activities

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

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

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 ^a	Coverage in this annual report
Description of the auditor's legal structure and ownership	The 'Role and functions' section in Part 2 details the legislative framework for the roles of the Auditor-General and the ANAO. The 'Accountable authority' section in Part 2 identifies the Auditor-General as the accountable authority for the Australian National Audit Office under the <i>Public Governance, Performance and Accountability Act 2013</i> .
Description of the auditor's governance structure	The 'Governance' section in Part 4 details the governance structure 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 ANAO published its Quality Management Framework and Plan 2024–25 . In November 2024, the ANAO published its Audit Quality Report 2023–24 , which sets out the Auditor-General's evaluation of the implementation and operating effectiveness of the quality management framework in 2023–24.
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 3A.2 in Part 3 describes external reviews of the ANAO's audits by the Joint Committee of Public Accounts and Audit. The 'Internal Audit' section in Part 4 sets out the work performed by the ANAO's internal auditor.
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.22 of 2024–25 Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2024 . Information on all audit reports presented by the Auditor-General to the Parliament during 2024–25 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	The 'Probity and independence' section in Part 4 details the ANAO's independence framework for audit professionals. In November 2024, the ANAO published its Audit Quality Report 2023–24 , which sets out the Auditor-General's

internal review of its independence compliance	evaluation of the implementation and operating effectiveness of the quality management framework in 2023–24, which includes information about the auditors independence practices and compliance.
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 ‘Developing People’ section in Part 4 sets out the ANAO’s education framework for audit professionals. ANAO auditors are expected to complete a minimum of 20 hours of professional development per financial year; and expected to fulfil the professional development requirements of the professional bodies of which they are members. This policy forms part of the ANAO’s Audit Manual. In November 2024, the ANAO published its Audit Quality Report 2023–24, which contains further information about professional education for auditors.
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 2024–25 are presented in Part 3.
Information on the basis for remuneration of the auditor’s senior managers	Note 1.2B of the financial statements in Part 3 details the ANAO’s arrangements 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 2024–25

	Actual available appropriations for 2024–25 (\$'000)	Payments made 2024–25 (\$'000)	Balance remaining 2024–25 (\$'000)
Ordinary annual services			
Departmental appropriation ^a	131,218	107,137	24,081
Total ordinary annual services	131,218	107,137	24,081
Special appropriations			
Auditor-General remuneration and expense — <i>Auditor-General Act 1997</i> , Schedule 1, sections 3 and 7 ^b	800	780	20
Total special appropriations	800	780	20
Total resourcing and payments	132,018	107,917	24,101

Note a: Appropriation Act (No.1) 2024–25, Appropriation Act (No.3) 2024–25, prior-year departmental appropriation and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

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

Expenses by outcome

Table B.2: Summary of total expenses for Outcome 1, 2024–25

	Budget ^a 2024–25 (\$'000)	Actual expenses 2024–25 (\$'000)	Variation 2024–25 (\$'000)
<i>Outcome 1: To improve public sector performance and accountability through independent reporting on Australian Government administration to Parliament, the Executive and the public.</i>			
Program 1.1: Financial Statements Audit Services			
Departmental expenses			
Departmental appropriation	47,975	50,850	-2,875
s74 External Revenue ^b	2,468	2,615	-147
Special appropriation	384	391	-7
Expenses not requiring appropriation in the budget year ^c	697	640	57
Total expenses for Program 1.1	51,524	54,496	-2,972
Program 1.2: Performance Audit Services			
Departmental expenses			
Departmental appropriation	37,977	40,320	-2,343
s74 External Revenue ^b	1,999	2,073	-74
Special appropriation	312	310	2
Expenses not requiring appropriation in the budget year ^c	567	508	59
Total expenses for Program 1.2	40,855	43,211	-2,356
Program 1.3: Performance Statements Audit Services			
Departmental expenses			
Departmental appropriation	9,400	10,194	-794
s74 External Revenue ^b	633	524	109
Special appropriation	104	78	26
Expenses not requiring appropriation in the budget year ^c	192	128	64
Total expenses for Program 1.3	10,329	10,925	-596
Outcome 1 totals by appropriation type			
Departmental expenses			
Departmental appropriation	95,352	101,364	-6,012
s74 External Revenue ^b	5,100	5,212	-112
Special appropriation	800	780	20
Expenses not requiring appropriation in the budget year ^c	1,456	1,276	180
Total expenses for Outcome 1	102,708	108,632	-5,924

	2024–25	2023–24
Average staffing level (number)	451	413

Note a: Full-year budget, including any subsequent adjustment made to 2024–25 Budget.

Note b: Departmental appropriation combines 'Ordinary annual services (Supply Bill (No.1), Appropriation Act (No.1) and Appropriation Act (No.3)'. s74 External Revenue is incurred in relation to receipts retained under section 74 of the PGPA Act 2013'.

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

Appendix C — Workforce information

Table C.1: Employee coverage under employment instruments in 2024–25 financial year (headcount)

	SES	Non-SES	Total
ANAO Enterprise Agreement 2024–2027	0	459	459
Common Law Contract	30	0	30

Note: The numbers shown in this table are headcounts. This table includes ongoing, non-ongoing and casual employees as at 30 June 2025.

Table C.2: All ongoing employees (2024–25) as at 30 June 2025

	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	198	8	206	228	34	262	0	0	0	0	0	0	3	0	3	471
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
Total	198	8	206	228	34	262	0	0	0	0	0	0	3	0	3	471

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 non-ongoing employees (2024–25)

	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	3	2	5	4	1	5	0	0	0	0	0	0	0	0	0	10
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
Total	3	2	5	4	1	5	0	0	0	0	0	0	0	0	0	10

Note: Excludes casual employees. 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: Australian Public Service Act ongoing employees (2024–25)

	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	
SES 3	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
SES 2	3	0	3	4	1	5	0	0	0	0	0	0	0	0	0	8
SES 1	10	0	10	10	1	11	0	0	0	0	0	0	0	0	0	21
EL 2	42	2	44	46	10	56	0	0	0	0	0	0	1	0	1	101
EL 1	36	2	38	53	10	63	0	0	0	0	0	0	0	0	0	101
APS 6	42	1	43	45	8	53	0	0	0	0	0	0	0	0	0	96
APS 5	24	1	25	37	4	41	0	0	0	0	0	0	0	0	0	66
APS 4	26	2	28	18	0	18	0	0	0	0	0	0	0	0	0	46
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	15	0	15	13	0	13	0	0	0	0	0	0	2	0	2	30
Total	198	8	206	228	34	262	0	0	0	0	0	0	3	0	3	471

Note: Graduates are captured under the classification 'Other'. Numbers are based on headcount and substantive classifications at 30 June 2025. 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.5: Australian Public Service Act non-ongoing employees (2024-25)

Table C.6: Australian Public Service Act employees by full time and part time status (2024–25)

	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	7	1	8	0	0	0	8
SES 1	20	1	21	0	0	0	21
EL 2	89	12	101	1	1	2	103
EL 1	89	12	101	3	1	4	105
APS 6	87	9	96	2	0	2	98
APS 5	61	5	66	1	1	2	68
APS 4	44	2	46	0	0	0	46
APS 3	1	0	1	0	0	0	1
APS 2	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0
Other	30	0	30	0	0	0	30
Total	429	42	471	7	3	10	481

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 employees and does not include acting arrangements.

Table C.7: Australian Public Service Act employment type by location (2024–25)

	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	471	10	481
NT	0	0	0
External Territories	0	0	0
Overseas	0	0	0
Total	471	10	481

Note: All ANAO positions are Canberra based.

Table C.8: Australian Public Service Act Indigenous employment (2024–25)

	Total
Ongoing	3
Non-ongoing	0
Total	3

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) employees are determined by the ANAO's SES Remuneration Policy. SES remuneration payments are set out under Note 2.3 of the financial statements at Part 3 of this report.

Table C.9: Australian Public Service Act employment salary ranges by classification level (minimum/maximum) (2024–25) as at 30 June 2025

	Minimum salary (\$)	Maximum salary (\$)
SES 3	467,745	467,745
SES 2	271,753	333,001
SES 1	204,459	251,220
EL 2	142,914	178,361
EL 1	124,453	140,246
APS 6	101,404	116,551
APS 5	91,531	99,739
APS 4	79,689	87,582
APS 3	73,305	79,276
APS 2	67,336	73,304
APS 1	55,392	67,335
Other	73,305	79,276
Minimum/Maximum range	55,392	467,745

Note: SES = Senior Executive Service; EL = Executive Level; APS = Australian Public Service. Graduates are captured in the 'Other' category.

Table C.10: Australian Public Service Act employment performance pay by classification level (2023–24)

Note: SES = Senior Executive Service; EL = Executive Level; APS = Australian Public Service.

No table provided as not applicable. 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.

Non-salary benefits

The ANAO offers employees 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 employees and — where there is a business need — some non-SES employees with a tablet and/or airline lounge membership. All ANAO employees have laptops and mobile phones, predominantly to provide multi-factor 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.

Workforce information 2023–24

Table C.11: Employee coverage under employment instruments in 2023–24 financial year (headcount)

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

Note: s24 Determination figures are as at 28 March 2024. ANAO Enterprise Agreement figures and Common Law Contract are as at 30 June 2024. This table includes ongoing, non-ongoing and casual employees.

Table C.12: All ongoing employees (2023–24) as 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
Total	179	6	185	218	25	243	0	0	0	0	0	0	1	0	1	429

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

Table C.13: All non-ongoing employees (2023–24)

Table C.14: Australian Public Service Act ongoing employees (2023–24)

	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	
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
Total	179	6	185	218	25	243	0	0	0	0	0	0	1	0	1	429

Note: Graduates are captured under the classification 'Other'. Includes substantive classifications and is displayed as headcount as at 30 June 2024. Includes all operative and inoperative staff. Inoperative staff are defined as staff who are absent from work for more than 13 weeks.

Table C.15: Australian Public Service Act non-ongoing employees (2023–24)

Table C.16: Australian Public Service Act employees by full time and part time status (2023–24)

	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
Total	398	31	429	15	2	17	446

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

Table C.17: Australian Public Service Act employment type by location (2023–24)

	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
Total	429	17	446

Note: All ANAO positions are Canberra based.

Table C.18: Australian Public Service Act Indigenous employment (2023–24)

	Total
Ongoing	3
Non-ongoing	0
Total	3

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.19: Australian Public Service Act employment salary ranges by classification level (minimum/maximum) (2023–24) as 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
Minimum/maximum range	53,364	446,160

Note: SES = Senior Executive Service EL= Executive Level APS = Australian Public Service. Graduates are captured in the 'Other' category.

Table C.20: Australian Public Service Act employment performance pay by classification level (2023–24)

No table provided — nil response as not applicable.

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 and/or airline lounge membership. All ANAO staff have laptops and mobile phones, predominantly to provide multi-factor 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 — Other management issues

Compliance with finance law

In 2024–25, the ANAO had no significant issues under paragraph 19(1)(e) of the *Public Governance, Performance and Accountability Act 2013* relating to non-compliance 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 Auditor-General's independence drives the ANAO's approach to commissioning. The ANAO acknowledges the intent of the [APS Strategic Commissioning Framework](#) in rebuilding the capability and expertise of the Australian Public Service (APS) by requiring that core government work be done by APS employees. To deliver against the Auditor-General's mandate, the ANAO uses in-house audit teams as well as private sector audit firms to achieve the quality expected by the Parliament and timeliness required in the Commonwealth resource management framework. The ANAO maintains quality over audit work conducted by private sector firms through robust oversight, requiring contractors to adhere to ANAO auditing standards and methodologies, and subjecting their work to the same quality assurance reviews and performance monitoring as in-house audit teams. All signing responsibilities remain with the Auditor-General.

The ANAO's approach to procuring goods and services is aligned with the Commonwealth Procurement Rules (CPRs), effective from July 1, 2024, which emphasise achieving value for money through competition, efficiency, effectiveness, economy, ethics, accountability, and transparency. In particular, the ANAO recognises competition as a core element in demonstrating value for money, ensuring that suppliers are treated equitably and that procurement processes are non-discriminatory. To support small and medium enterprises (SMEs), the ANAO strives to meet the government's targets of sourcing 25 per cent of contracts by value from SMEs for contracts up to \$1 billion and 40 per cent for contracts up to \$20 million, as outlined in the updated CPRs. These CPRs are reinforced and applied to activities through the Auditor-General Instructions and supporting financial management procedures and guidelines.

The ANAO's Annual Procurement Plan is published annually on the AusTender website and is updated as circumstances change, ensuring transparency in our procurement activities. All tenders and contractual arrangements for the 2024–25 period were conducted in strict accordance with the CPRs, demonstrating our dedication to ethical and accountable procurement practices. Our tender evaluation processes are designed to be fair, equitable, and transparent, allowing potential suppliers to compete on equal terms for ANAO business. Prior to substantive evaluation, the ANAO conducts a thorough check against all mandatory requirements specified in the tender documentation to ensure compliance and fairness.

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 2024–25, six new reportable consultancy contracts were entered into, with total actual expenditure of \$0.158 million. In addition, 13 ongoing reportable consultancy contracts were active during the period, with total actual expenditure of \$0.779 million (Table D.1). Table D.2 shows the organisations that received the six largest shares of the ANAO’s total expenditure on reportable consultancy contracts during 2024–25.

Table D.1: Reportable consultancy contracts, 2024–25

Category	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	6	158
Ongoing contracts entered into during a previous reporting period	13	779
Total	19	937

Table D.2: Organisations receiving largest shares of reportable consultancy contract expenditure, 2024–25

Organisation	Organisation ABN	Expenditure \$'000 (GST inc.)
Ernst and Young	75 288 172 749	218
RSM Australia Pty Ltd atf the Birdanco Practice Trust	65 319 382 479	143
Finity Consulting Pty Ltd	89 111 470 270	126
ORIMA Research	77 076 347 914	117
Deloitte Touche Tohmatsu	74 490 121 060	107
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 2024–25 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 2024–25, 87 new reportable non-consultancy contracts were entered into involving total actual expenditure of \$7.434 million. In addition, 155 ongoing reportable non-consultancy contracts were active during the period, involving total actual expenditure of \$30.549 million (Table D.3).

Table D.3: Reportable non-consultancy contracts, 2024–25

Category	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	87	7,434
Ongoing contracts entered into during a previous reporting period	155	30,549
Total	242	37,983

Table D.4 shows the organisations that received the six largest shares of the ANAO's total expenditure on reportable non-consultancy contracts during 2024–25.

Table D.4: Organisations receiving largest shares of reportable non-consultancy contract expenditure, 2024–25

Organisation	Organisation ABN	Expenditure \$'000 (GST inc.)
Ernst and Young	75 288 172 749	4,292
Price Waterhouse Coopers	52 780 433 757	4,148
Evolve FM Pty Ltd (Trust Account)	52 605 472 580	3,742
Deloitte Touche Tohmatsu	74 490 121 060	3,026
Macquarie Telecommunications Pty	21 082 930 916	2,091
xAmplify Services Pty Ltd	74 632 045 080	2,039

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 tendering and contracting activities in 2024–25 were to contract auditors to undertake audit work on a number of financial statements audits and performance audits, as well as to contract labour hire 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 Australian National Audit Office (ANAO) is committed to fostering small and medium-sized enterprise (SME) participation in Commonwealth Government procurement. We aim to creating fair, accessible, and inclusive opportunities for small businesses to thrive in the government marketplace.

Our key initiatives include:

- **Simplified Procurement Processes:** For low-risk contracts valued under \$200,000, we utilise the Commonwealth Contracting Suite to streamline engagement, reducing administrative burdens for SMEs. Additionally, we align with the Commonwealth Procurement Rules (2024) to ensure equitable access.
- **Prompt Payment Practices:** We employ electronic payment systems, including payment cards, to ensure on-time payments within 20 calendar days or five business days for e-invoices, supporting SME cash flow as mandated by the *Payment Times Reporting Act 2020*.
- **Transparency and Accountability:** SME participation and procurement statistics are available on the Department of Finance's website (finance.gov.au). Payment performance data, including compliance with the Payment Times Reporting Scheme, can be accessed via the Payment Times Reporting Portal (paymenttimes.gov.au). The results of the survey of Australian Government payments to small business are available on the Treasury's website, treasury.gov.au
- **Indigenous Business Support:** In line with the Indigenous Procurement Policy (IPP), we actively encourage participation from Indigenous SMEs, contributing to economic empowerment and reconciliation.

Small businesses are vital to Australia's innovation and economic growth. To explore procurement opportunities with the ANAO please visit our website or contact our procurement team at procurement@anao.gov.au

Advertising and market research

Under section 311A of the *Commonwealth Electoral Act 1918*, we are required to disclose payments of \$16,900 or more (inclusive of GST) to advertising agencies, market research organisations, polling organisations, media advertising organisations and direct mail organisations.

During 2024–25, the ANAO conducted advertising campaigns for graduate recruitment amounting to \$75,416 (inclusive of GST). The ANAO did not make any payments to direct mail organisations or polling organisations, and did not make any payments of \$16,900 or more (inclusive of GST) to media advertising organisations.

Payments over \$16,900 (including GST) to market research organisations, incurred in the course of client surveys on performance are set out in Table D.5.

Table D.5: Payments made to market research organisations, 2024–25

Organisation	Purpose	Payment \$ (GST inc.)
ORIMA Research	Client survey	39,567

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 level of fees is outlined below.

Charge-out rates are used to determine the notional or actual audit fee in respect of financial statement 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 agency's 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 2024–25 was \$247.12, ranging from \$161.06 per hour for a junior auditor through to \$480.13 for a senior executive.

Environmental performance

The annual reports of Commonwealth departments, Parliamentary departments, Commonwealth authorities, Commonwealth companies and other Commonwealth agencies must under [Section 516a of the EPBC Act](#), all now include a report on environmental matters in their annual reports that includes information on:

- How the agency's activities have accorded with principles of Ecologically Sustainable Development (ESD)
- Identify how outcomes contributed to ESD
- Report on environmental impacts and minimisation strategies
- Identify mechanisms used to improve effectiveness of measures to minimise impact on environment.

Ecologically sustainable development (ESD)

The ANAO contributes to ecologically sustainable development by actively taking steps to reduce our environmental impact and adopting environmentally friendly options where practical.

In 2024–25, the ANAO looked to consolidate environmental performance and mitigate the effects of our impact on the environment through the use of:

- organic waste bins;
- energy-efficient equipment and lighting solutions;
- energy-efficient power management settings on office equipment, including motion sensor lighting;
- videoconferencing to reduce the need for local, interstate and international travel;
- environmentally friendly 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 minimise our energy costs and limit the consumption of resources.

ESD reporting

ESD

The ANAO is not undertaking specific activities to implement ESD, noting that not all activities of all organisations will have ESD implications.

The ANAO does not contribute to threats of serious or irreversible environmental damage; have responsibility for the long-term health, diversity and productivity of the environment; or conserve or fail to conserve biological diversity and ecological integrity.

Effect of activities on the environment

The ANAO monitors its energy and water usage 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.

Australian Public Service (APS) Net Zero 2030

The Australian Public Service (APS) Net Zero 2030 policy requires non-corporate and corporate Commonwealth entities to report on their greenhouse gas emissions. This reporting is part of the

broader effort to achieve net-zero emissions by 2030 and enhance transparency in government operations.

To support the Australian Public Service (APS) Net Zero 2030 target, the ANAO recognises the need to maintain momentum on existing emissions reduction initiatives while also exploring new opportunities for improvement. Recognising that electricity use is the largest contributor to ANAO's scope 2 emissions, the ANAO plans to explore participation in the whole-of-government renewable electricity purchasing arrangement led by the Department of Finance in 2025–26.

The office's recorded environmental emissions for the financial year 2024–25 are detailed below:

Table D.6: 2024–25 greenhouse gas emissions inventory — location-based method

Emission source ^a	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (location based approach)	N/A	141.40	8.57	149.97
Natural gas	–	N/A	–	–
Solid waste	–	N/A	7.77	7.77
Refrigerants	–	N/A	N/A	–
Fleet and other vehicles	–	N/A	–	–
Domestic commercial flights ^b	N/A	N/A	74.59	74.59
Domestic hire car ^c	N/A	N/A	1.13	1.13
Domestic travel accommodation	N/A	N/A	60.76	60.76
Other energy	–	N/A	–	–
Total kg CO₂-e	–	141.40	152.81	294.21

Note a: The table above presents emissions related to electricity usage using the location-based accounting method. CO₂-e = carbon dioxide equivalent.

Note b: Any travel records with departure dates, pick up date or check in dates outside of the reporting year were not included in emissions calculations.

Note c: Emissions from hire cars for 2024–25 have been sourced from third party providers and may be incomplete. The quality of data is expected to improve over time as emissions reporting matures.

During the fiscal year 2024–2025, the ANAO was accountable for total carbon emissions quantified at **294.21** kilograms of CO₂ equivalent. An assessment of the emissions' provenance revealed that Scope 2 emissions represented approximately **48 per cent** of the emissions across our portfolio. In comparison, Scope 3 emissions represented **52 per cent** of the total emissions, respectively. This is a much more even spread than in 2023–24.

Our investigation into Scope 2 emissions has revealed that the primary source is the procurement of electricity for our leased site. Similarly, our analysis of Scope 3 emissions attributes the bulk of these to air travel and accommodation.

Addressing the Scope 2 emissions, in 2024–25 there has been an increase in emissions primarily relating to electricity. It should be noted that this has coincided with an increase in staff numbers,

staff using the office and the procurement of additional AV capability across the office. This increase in electricity use is offset by greater reductions in Scope 3 emissions.

Turning to Scope 3 emissions, adopting alternative modes of travel and leveraging technology for virtual meetings has significantly curbed the carbon emissions affiliated with air travel.

This has led to reductions in total emissions from 364.63 in 2023–24 to 294.21 in 2025–26. With these combined strategies, the ANAO has decreased its environmental impact and is steering towards a more sustainable and greener business model.

The APS Net Zero calculator acknowledges activities like Greenpower, individually purchased large-scale generation certificates (LGCs), or state purchased LGCs, as demonstrated by the ACT. The carbon emissions are then determined using a market-based approach. The results are provided in the table below:

Table D.7: 2024–25 electricity greenhouse gas emissions

Emission source ^a	Scope 2 kg CO2-e	Scope 3 kg CO2-e	Total kg CO2-e	Electricity kWh
Electricity (market based approach)	141.40	8.57	149.97	214,239.00
Market-based electricity emissions	3.98	0.54	4.52	4,916.79
Total renewable electricity consumed	N/A	N/A	N/A	209,322.22
Renewable power percentage ^b	N/A	N/A	N/A	38,980.79
Jurisdictional renewable power	N/A	N/A	N/A	170,341.43
Green power ^c	N/A	N/A	N/A	–
Large-scale generation certificates	N/A	N/A	N/A	–
Behind the meter solar ^d	N/A	N/A	N/A	–
Total renewable electricity produced	N/A	N/A	N/A	–
Large-scale generation certificates	N/A	N/A	N/A	–
Behind the meter solar	N/A	N/A	N/A	–

Note a: The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO2-e = carbon dioxide equivalent. Electricity usage is measured in kilowatt hours (kWh).

Note b: Listed as Mandatory renewables in 2023–24 Annual Reports. The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).

Note c: Listed as Voluntary renewables in 2023–24 Annual Reports.

Note d: Reporting behind the meter solar consumption and/or production is optional. The quality of data is expected to improve over time as emissions reporting matures.

The ANAO was responsible for total carbon emissions amounting to **154.49** kilograms of CO₂ equivalent when considering the market-based approach during the fiscal year 2024–25. An analysis of the emission sources shows that Scope 2 emissions accounted for approximately **94 per cent** of the total emissions in our portfolio, while Scope 3 emissions constituted a significantly smaller proportion, representing **six per cent** of the total emissions.

EEGO minimum energy performance standards

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). The ANAO's tenancy currently holds a Green Lease Schedule and achieved a 6-star NABERS rating in July 2025, exceeding policy requirements.

Waste

The ANAO segregates waste to ensure suitable items are recycled and to minimise landfill. Organic waste bins were introduced in February 2022. Solid waste makes up only a small proportion of the greenhouse gas emissions at under three per cent of emissions on location.

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 will be made to improve the lives of people with disability in Australia. It ensures that Australia's policies and programs align with the principles of the UN Convention on the Rights of Persons with Disabilities, affecting people with disabilities, their families, and carers. 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 will be published and available at 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.

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. No (zero) incidents were reported in the 2024–25 financial year.

Freedom of information

The *Freedom of Information Act 1982* 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. The Auditor-General is exempt from the requirement to publish an Information Publication Scheme.

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 briefings provided on request to parliamentarians and parliamentary committees;
- ANAO Audit Manual;
- external audits and reviews;
- gifts and benefits offered (whether accepted or declined);
- procurement complaints handling;
- ANAO Workforce Plan 2022–25;
- Quality Management Framework and Plan 2024–25 and the Audit Quality Report 2023–24;
- ANAO Integrity Framework 2024–25 and ANAO Integrity Report 2023–24;
- ANAO Risk Management Framework 2025–27; and
- 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](#). 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

AAWP	annual audit work program
ACAG	Australasian Council of Auditors-General
ANAO	Australian National Audit Office
APS	Australian Public Service
ASA	Australian standard on auditing
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
CRF	Consolidated Revenue Fund
ERR	Enterprise Risk Register
FIPP	Forum for INTOSAI Professional Pronouncements
GST	goods and services tax
ICT	information and communications technology
INTOSAI	International Organization of Supreme Audit Institutions
JCPAA	Joint Committee of Public Accounts and Audit
PASAI	Pacific Association of Supreme Audit Institutions
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
PNG	Papua New Guinea
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 Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
17AD(h)	Aids to access		
17AJ(a)	Table of contents p.v	Table of contents (print only).	Mandatory
17AJ(b)	Index p.148	Alphabetical index (print only).	Mandatory
17AJ(c)	Abbreviations p.139	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	List of requirements p.140	List of requirements.	Mandatory
17AJ(e)	Contact officer p.iv	Details of contact officer.	Mandatory
17AJ(f)	Website p.iv	Entity's website address.	Mandatory
17AJ(g)	Electronic address p.iv	Electronic address of report.	Mandatory
17AD(a)	Review by accountable authority		
17AD(a)	Part 1 — Review by the Auditor-General p.1	A review by the accountable authority of the entity.	Mandatory
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	Part 2 — Overview of the ANAO p.7	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	Organisational structure p.8	A description of the organisational structure of the entity.	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AE(1)(a)(iii)	Role p.7	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	Purposes p.10	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	Accountable authority p.11	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	Members p.11	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	Accountable authority p.11	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 Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was 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		
	<i>Annual performance Statements</i>		
17AD(c)(i); 16F	Performance statement (in Part 3) p.15	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	Financial performance p.45	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	Financial position p.46	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		
	<i>Corporate Governance</i>		
17AG(2)(a)	Fraud control and prevention p.104	Information on compliance with section 10 (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 for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	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 and corruption relating to the entity.	Mandatory
17AG(2)(c)	Corporate governance p.81	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	Finance law p.129	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory
	<i>Audit Committee</i>		
17AG(2A)(a)	Charter p.85	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	Audit committee members p.85	The name of each member of the entity's audit committee.	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AG(2A)(c)	Audit committee skills p.85	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	Audit committee attendance p.85	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	Audit committee remuneration p.85	The remuneration of each member of the entity's audit committee.	Mandatory
	<i>External Scrutiny</i>		
17AG(3)	External scrutiny p.106	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 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
	<i>Management of Human Resources</i>		
17AG(4)(a)	Organisational capability p.89	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	Appendix C — Workforce information p.114	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AG(4)(b)	Appendix C — Workforce information p.116	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: (a) statistics on staffing classification level; (b) statistics on full-time employees; (c) statistics on part-time employees; (d) statistics on gender; (e) statistics on staff location; (f) statistics on employees who identify as Indigenous.	Mandatory
17AG(4)(c)	Appendix C — Workforce information p.113	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
17AG(4)(c)(i)	Appendix C — Workforce information p.113	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)	Salary ranges APS employees p.119	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	Non-salary benefits p.120	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	N/A	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	N/A	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	N/A	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	N/A	Information on aggregate amount of performance payments.	If applicable, Mandatory
	Assets Management		
17AG(5)	Asset management p.129	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory
	Purchasing		

PGPA Rule reference	Part of report	Description	Requirement
17AG(6)	Purchasing and procurement p.129	An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory
Reportable consultancy contracts			
17AG(7)(a)	Reportable consultancy contracts p.130	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
17AG(7)(b)	Reportable consultancy contracts p.130	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 p.130	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 p.130	A statement that ‘ <i>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.</i> ’	Mandatory
Reportable non-consultancy contracts			
17AG(7A)(a)	Reportable non-consultancy contracts p.131	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

PGPA Rule reference	Part of report	Description	Requirement
17AG(7A)(b)	Reportable non-consultancy contracts p.131	A statement that ' <i>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.</i> '	Mandatory
17AD(daa)	<i>Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts</i>		
17AGA	Purchasing and procurement p.129	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
<i>Australian National Audit Office Access Clauses</i>			
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
<i>Exempt contracts</i>			
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
<i>Small business</i>			
17AG(10)(a)	Procurement initiatives to support small business p.132	A statement that ' <i>[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website.</i> '	Mandatory
17AG(10)(b)	Purchasing and procurement p.129	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AG(10)(c)	Procurement initiatives to support small business p.132	If the entity is considered by the Department administered by the Finance Minister as material in nature — a statement that ' <i>[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.</i> '	If applicable, Mandatory
<i>Financial Statements</i>			
17AD(e)	Financial statements p.48	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
<i>Executive Remuneration</i>			
17AD(da)	Executive remuneration p.119	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2–3 of the Rule.	Mandatory
17AD(f)	Other Mandatory Information		
17AH(1)(a)(i)	Advertising and market research p.132	If the entity conducted advertising campaigns, a statement that ' <i>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.</i> '	If applicable, Mandatory
17AH(1)(a)(ii)	N/A	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	N/A	A statement that ' <i>Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website].</i> '	If applicable, Mandatory
17AH(1)(c)	Disability reporting p.137	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	About this report p.iv	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)	About this report p.iv	Information required by other legislation	Mandatory

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