



Financial and Performance Reporting Forum

Friday, 27 June 2025



Welcome and opening remarks

Caralee McLiesh PSM
Auditor-General for Australia



Interim Report on Key Financial Controls of Major Entities

Lesa Craswell
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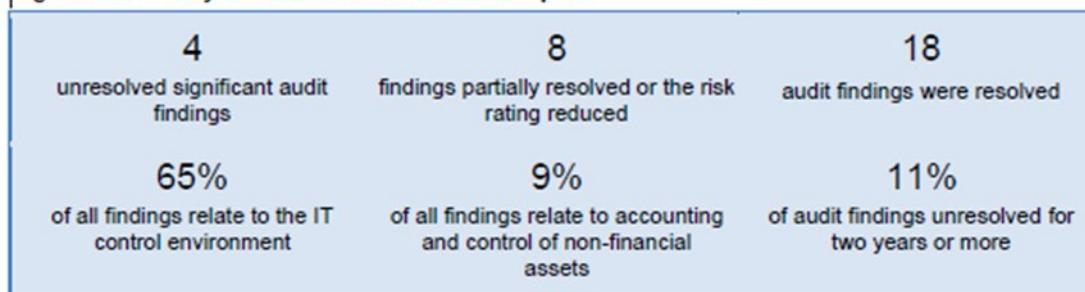


Introduction



- The ANAO prepares two reports annually drawing on information collected during financial statements audits
- Interim Report on Key Financial Controls of Major Entities (Auditor-General Report No.39) was tabled in the Parliament on 29 May 2025
- This year the report was more streamlined than in previous years

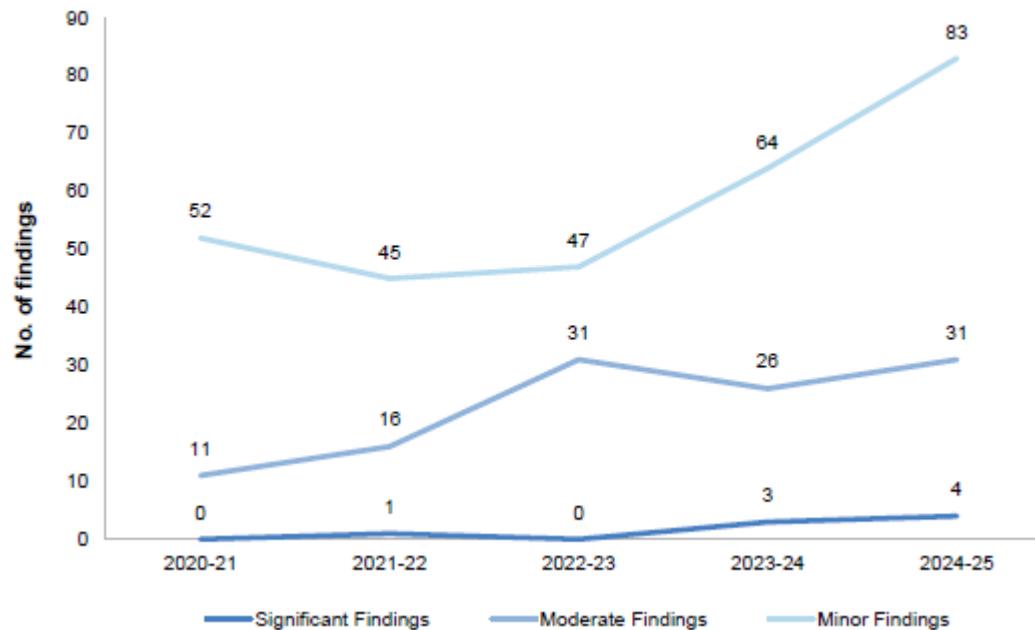
Figure 2.1: Key matters identified in this report



What did we find?

- 118 findings were reported to the entities:
 - 4 significant
 - 31 moderate
 - 83 minor

Figure 2.2: Aggregate audit findings 2020–21 to 2024–25



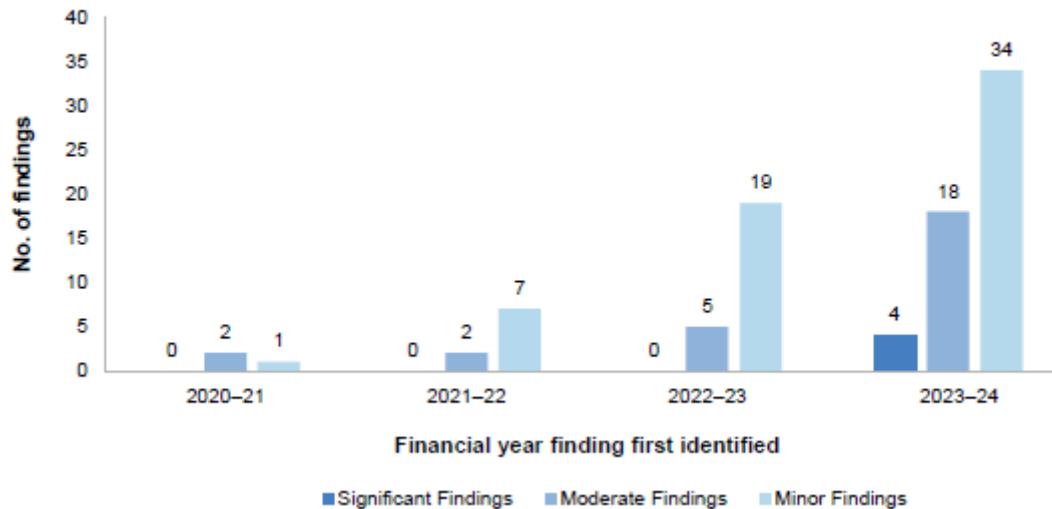


What did we find?



- 78% of audit findings were first raised in earlier financial years.

Figure 2.4: Number of unresolved audit findings by period first identified by the ANAO





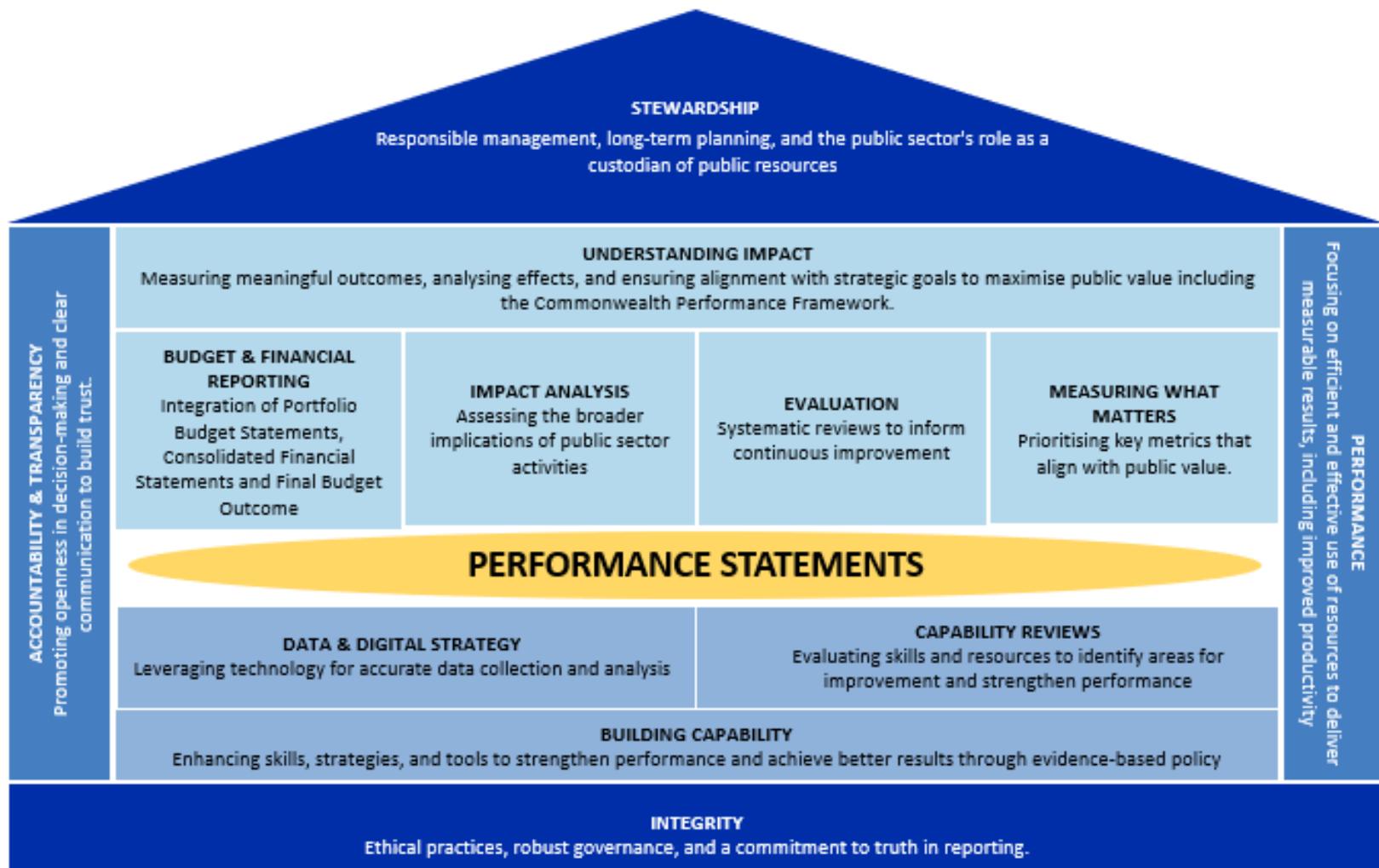
Key themes from Performance Statements Audit

Preparing year-end performance statements

George Sotiropoulos
Group Executive Director
Performance Statements Audit Services Group



FRAMING PERFORMANCE STATEMENTS AUDITS



OFFICIAL

Performance Statements Audit Update



KEY OBSERVATIONS FROM 2023-24 END OF YEAR REPORT



ACCURACY AND RELIABILITY OF REPORTED INFORMATION

Entities have not been able to provide sufficient and appropriate evidence that the reported information is complete, accurate and free from bias



USEFULNESS OF PERFORMANCE INFORMATION

Reported information does not provide insights into the entity's performance and form a basis for driving better decision making



PREPARATION OF PERFORMANCE STATEMENTS

Including timeliness, record keeping and the provision of appropriate supporting documentation



COMPLETENESS OF PERFORMANCE STATEMENTS

Including material omissions driven by lack of a considered policy or process to determine criteria for the assessing whether programs or functions are significant to the entity's purpose



ASSURANCE OF DATA EXTRACTION AND REPORTING

Lack of controls over how data is managed, including how entities provide themselves with assurance that the business rules used for reporting are appropriate and the extracts used for reporting are complete and accurate



KEY AREAS OF FOCUS FOR 2024-25 AND BEYOND



APPROPRIATE AND MEANINGFUL

Do the performance statements present performance information that is appropriate (accountable, reliable and aligned with an entity's purposes and key activities) and meaningful (useful insights and analysis of results)?



PRODUCTIVITY

Is there merit in better linking performance and financial information to present a clear line of sight between an entity's strategies and performance and financial results?



FORWARD LOOKING

Given the enactment of stewardship as an APS Value, is it useful for the performance statements of an entity to present forward-looking information and commentary to help stakeholders understand the entity's preparedness to respond to prospective developments, challenges and opportunities?



CROSS ENTITY

Could an entity develop cross-sector performance measures as indicators and provide analysis and narrative where it has been recognised that its performance is partly reliant on the actions of other agencies?



CONSISTENCY

Can entities with like activities and functions (e.g. providing policy advice, regulation) have like measures to support comparability and benchmarking?



THANK YOU



ANY QUESTIONS?





Financial Statement Audit Findings Relating to User Access

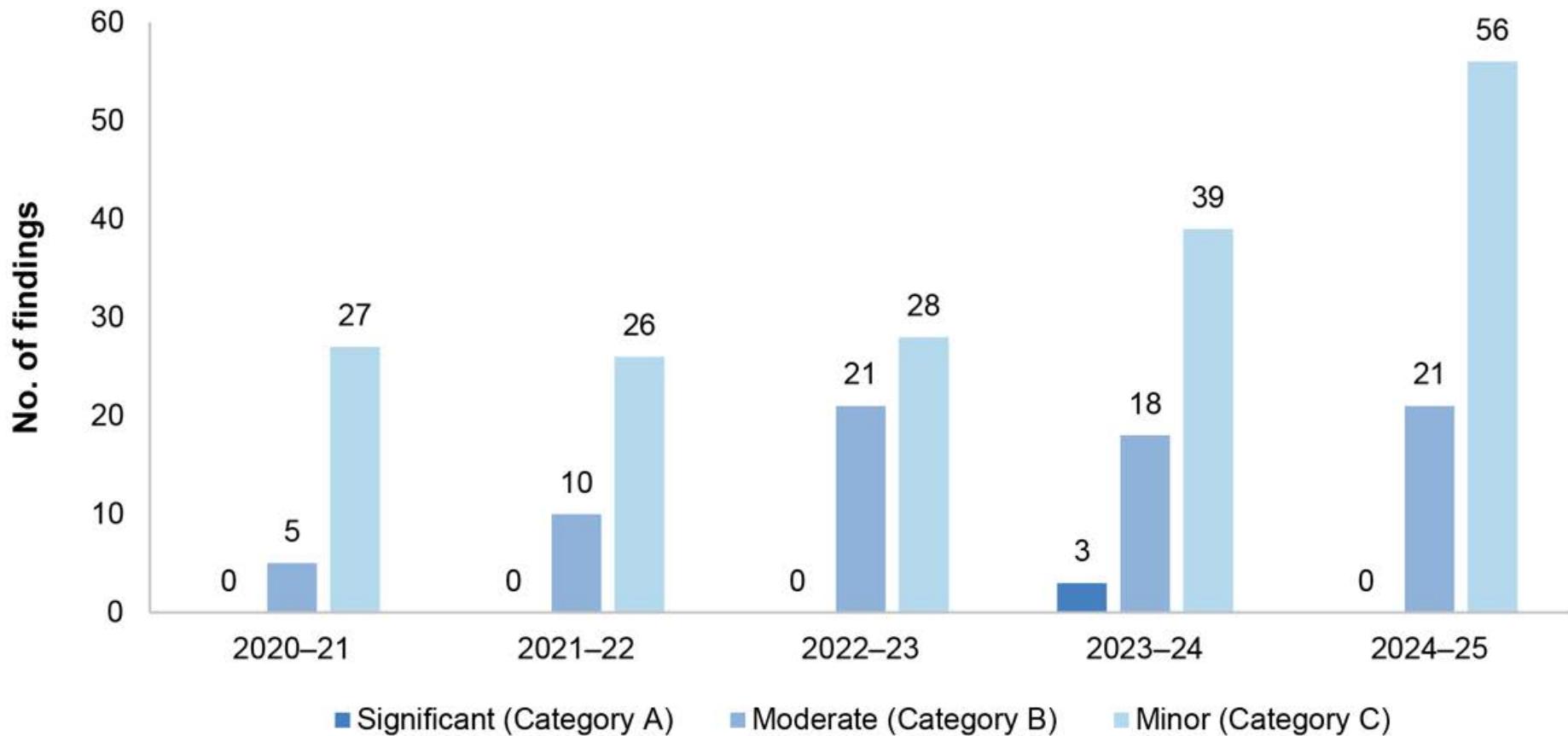
Sean Benfield
A/g Group Executive Director
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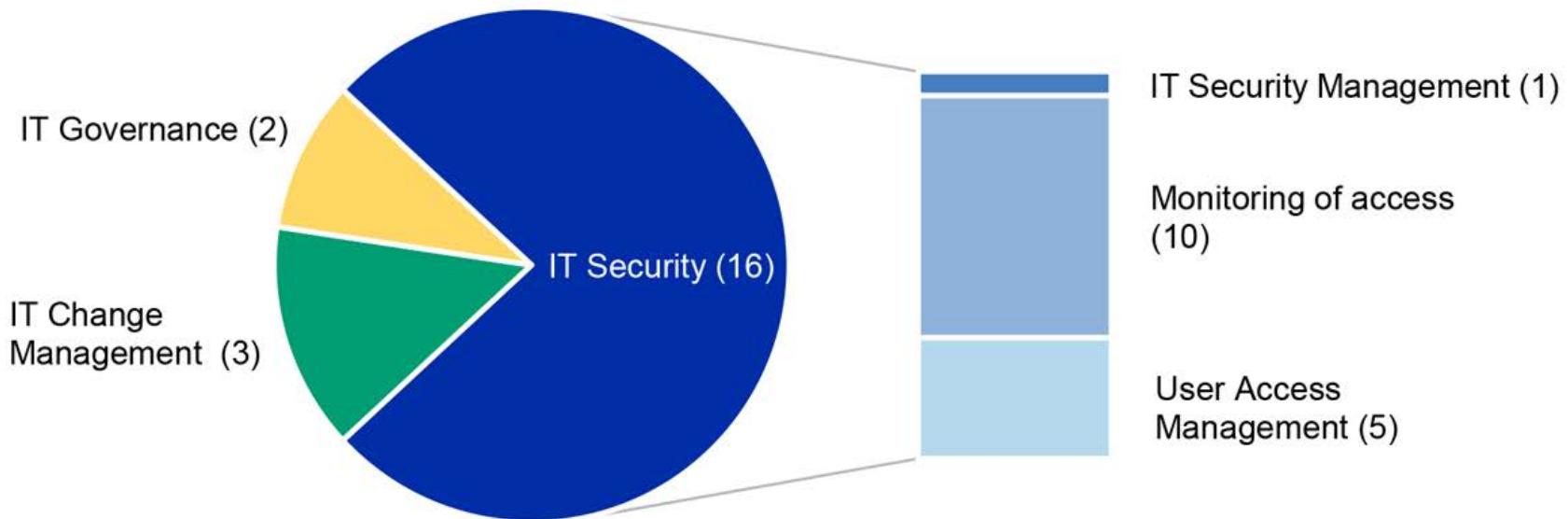
Interim Financial Statement Audit Findings



IT control environment interim findings 2020–21 to 2024–25



Categorisation of moderate-level 2024–25 interim audit findings for IT control environments

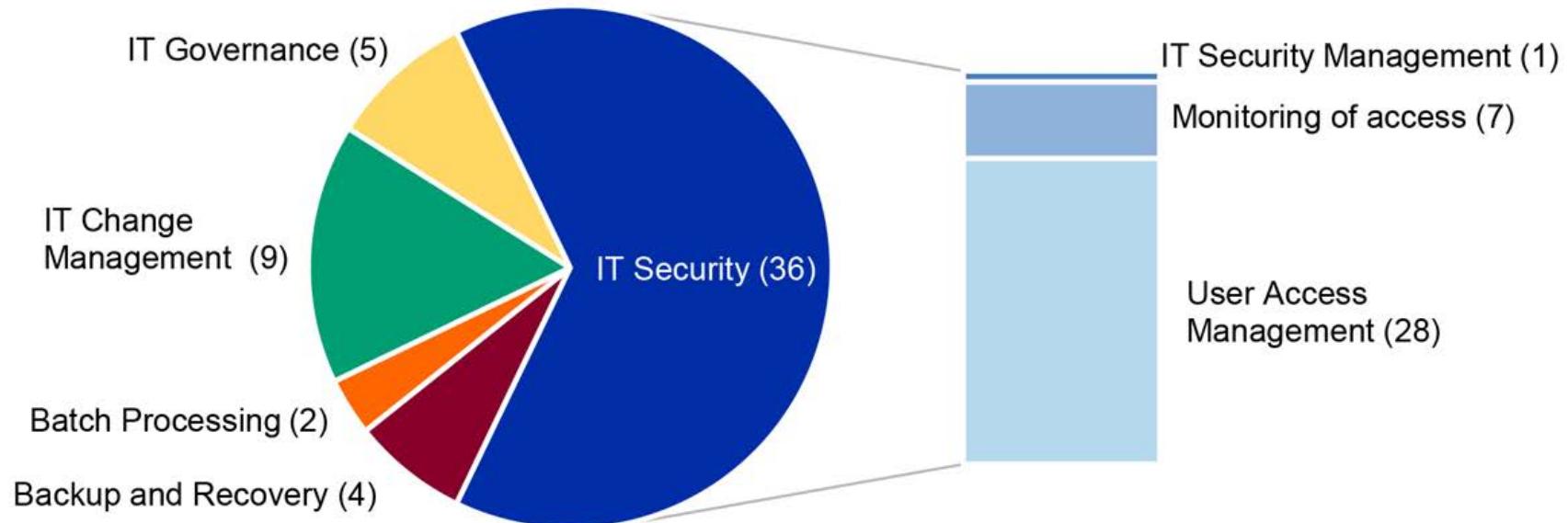




Interim Financial Statement Audit Findings



Categorisation of minor-level 2024–25 interim audit findings for IT control environments





ANAO Observations



The issues the ANAO raises are directed at audited entities, but we have observed themes in the following areas.

- Users provisioned with conflicting access (e.g. that which allows them to bypass segregation of duties);
- Lack of logging and monitoring of the activities of privileged users;
- Review and removal of access that is not timely, or an inability to determine when access should have been removed;
- Users accessing systems post-termination;
- Lack of (or ineffective) controls to identify and investigate access post-termination; and
- Lack of an integrated approach to address risk (e.g. effective frontend controls, limited backend controls).
- Inconsistent application of controls to users.



What the ANAO looks at

From an audit perspective, User Access includes the following:

- Access Authorisation
 - Has access been appropriately approved?
 - Is access commensurate with job responsibilities?
 - Does the access the user has received match the approved request?
- Access Review
 - A users' 'need to know' may change over time (promotions, new roles, etc) – is user access appropriately reviewed and updated periodically?
 - Are user access reviews based on complete and accurate information (e.g. a complete and accurate list of users), distributed to all relevant stakeholders, and appropriately actioned?
- Access Removal
 - Has access been removed when it is no longer required?
 - Was the access removed on a timely basis?
 - Did the user access the system between the date of cessation and date of access removal, and if so, what actions did they perform?
- Privileged User Access
- Passwords



Recommendations/Better Practice

- Entities should obtain their own assurance as to control effectiveness.
 - Absent post-termination access monitoring, can you be sure your termination controls are effectively removing access?
- Quality Data is Important
 - Controls to identify and review access post-termination are not effective if the date someone was terminated is not accurately known.
 - Effective monitoring requires effective logging.
- Controls should be based on risk.
 - Privileged user accounts may have additional risks and accordingly may require additional controls.
 - Consider risks across your environment (e.g. if a control can be bypassed, what other controls are required?)



General questions and closing remarks

Rona Mellor PSM
Deputy Auditor-General
Australian National Audit Office