



Financial and Performance Reporting Forum

Friday, 28 November 2025



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Welcome and opening remarks

Carla Jago
Group Executive Director
Financial Statements Audit Services Group





Auditor-General's Update

Dr Caralee McLiesh PSM

Auditor-General for Australia



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Key themes from financial statements audits

Carla Jago

Group Executive Director

Financial Statements Audit Services Group

Overview

1. Observations from 2024–25 financial statements audits
2. Preview of the 2024–25 end of year report to Parliament

Observations from 2024–25 financial statements audits

- Review of work of experts – valuers and actuaries
- Good practice observations around request and issue tracking
- Use of internal legal risk registers

Preview of the 2024–25 end of year report to Parliament

- FS preparation processes improving
 - greater % of entities provided draft financial statements for audit in line with agreed timeframes
 - less audit adjustments and greater % adjusted

Preview of the 2024–25 end of year report to Parliament

- a decrease in audit findings but an increase in legislative breaches
 - largest number of findings continue to relate to IT control environment

Preview of the 2024-25 end of year report to Parliament

- report will include some analysis of balance sheet management and large movements

Preview of the 2024–25 end of year report to Parliament

- adoption of new fraud and corruption control arrangements is encouraging
 - more than 95% of Commonwealth entities have implemented a fraud and corruption control plan
 - 27% of entities do not have a formal NACC referral process documented in their plans

THANK YOU.

Questions?

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Key themes from performance statements audits

George Sotiropoulos
Group Executive Director
Performance Statements Audit Services Group



Annual Performance Statements Audit Program

Where we started and where we are going

2019–20
3 Audits

2020–21
3 Audits

2021–22
6 Audits

2022–23
10 Audits

2023–24
14 Audits

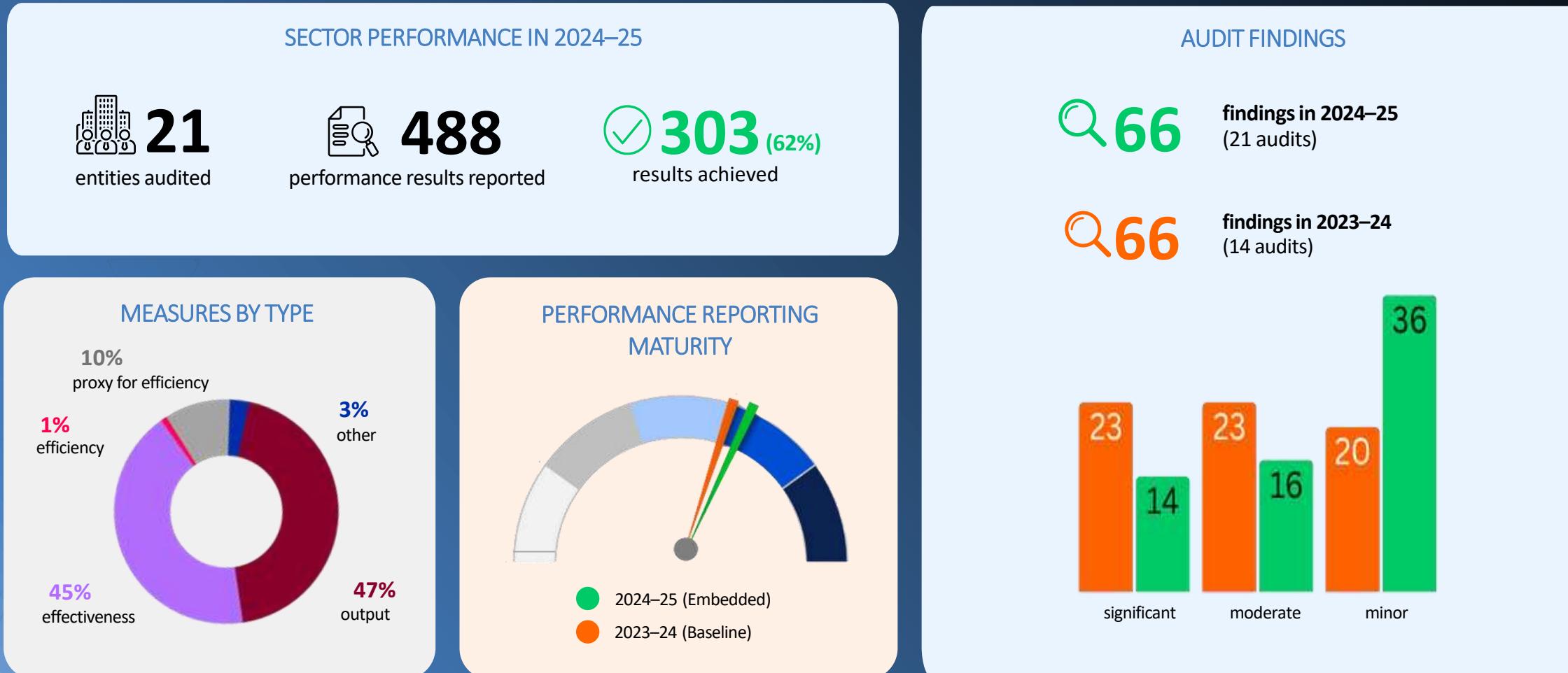
2024–25
21 Audits

2025–26
21 Audits

pilot

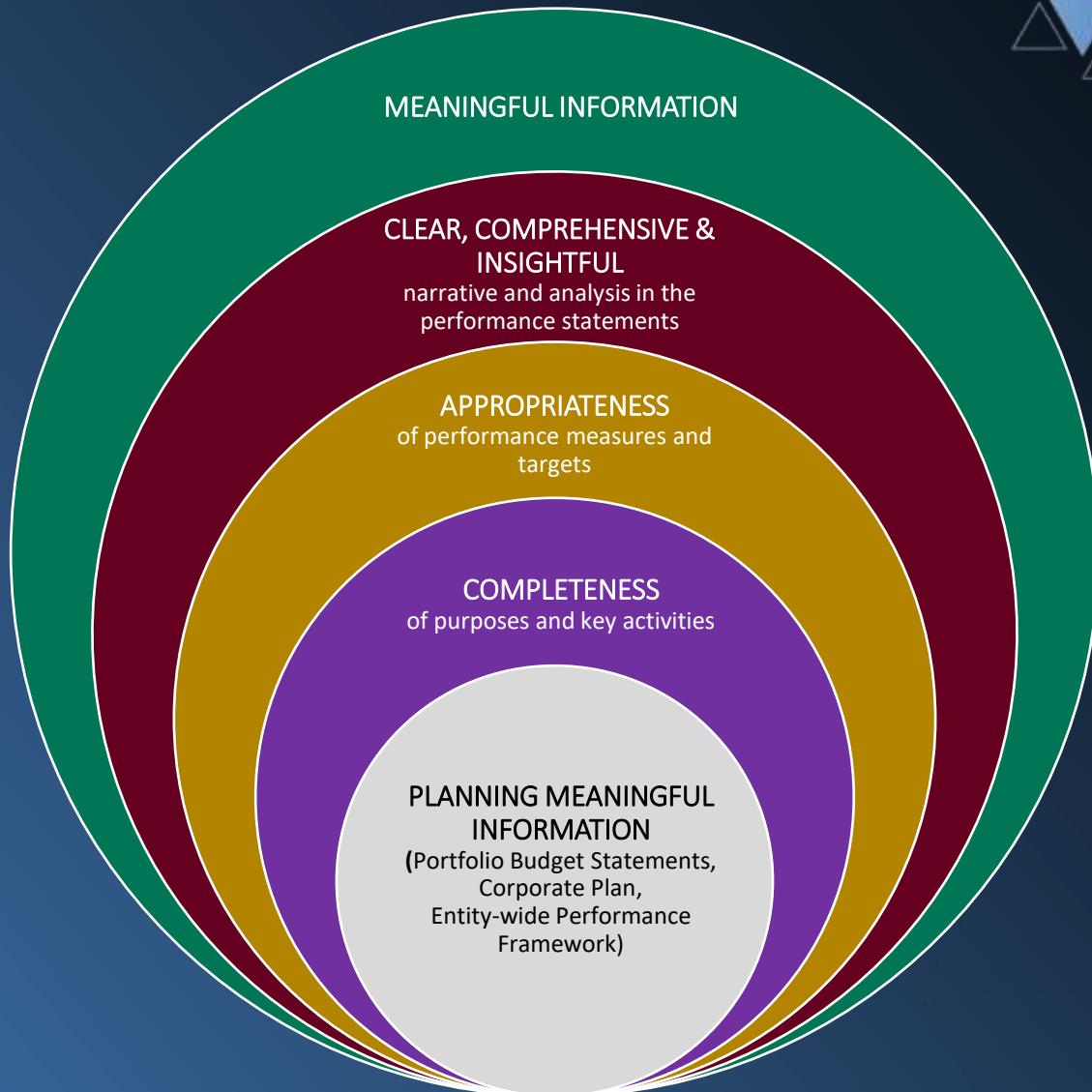
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2024–25 at a glance



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Building Meaningful Performance Information



COMPLETENESS of purposes and key activities

A clear logic provides a strong platform for **meaningful** performance information.

Purposes

- ✓ Clear purpose statements are essential for meaningful performance reporting.
- ✓ An entity's purpose statement in its corporate plan should be sufficiently specific to allow for meaningful measurement and assessment, and relevant to reflect medium to long term goals.

Key Activities

- ✓ Key activities = main actions to deliver on purpose (**purpose → performance → accountability**).
- ✓ Benefits:
 - Focus resources efficiently
 - Set meaningful measures & targets
 - Communicate achievements clearly
- ✓ Poor identification of key activities = gaps in performance statements.

APPROPRIATENESS of performance measures and targets

Appropriate measures combine PGPA Rule requirements with attributes that meet stakeholder needs.

Attributes of appropriate performance measures

- ✓ **Context-based** – reflecting what the entity is trying to achieve.
- ✓ **Cover essential aspects** – focusing on what significantly contributes to purposes or key activities.
- ✓ **Constructed properly** – with targets that indicate achievement.
- ✓ **Comply with PGPA Rule** –
 - relating directly to purposes or key activities;
 - using reliable, verifiable methods and data sources; and
 - providing an unbiased basis for assessment.
- ✓ **Clear and understandable** – easy for stakeholders to interpret.



CLEAR, COMPREHENSIVE AND INSIGHTFUL narrative and analysis

Narrative and analysis add context to performance data, explaining results and actions. Done well, they turn measures into a clear story of progress and impact, complementing data and avoiding clutter.

Well-developed narrative and analysis:

- ✓ Adds context and insight to performance results.
- ✓ Focuses on outcomes, not just activities.
- ✓ Explains trends and influencing factors (e.g. why targets were met or unmet).
- ✓ Links data to purposes and outcomes, highlighting causes and implications.
- ✓ Makes reporting clear, meaningful, and actionable.

Clear presentation:

- ✓ Builds trust and usability.
- ✓ Uses visuals and plain language for accessibility.

CLEAR, COMPREHENSIVE
AND INSIGHTFUL
narrative and analysis

Summary of our performance measure results

Outcome 1					
Performance Measure	PMID	Program	2023–24 result	2024–25 result	Page reference
Proportion of accurate Child Care Subsidy payments to all services.	PM002	1.2	Achieved	Achieved	55
The proportion of services supported by the Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) in socio-economically vulnerable and disadvantaged communities.	PM054	1.1	Achieved	Not achieved	57

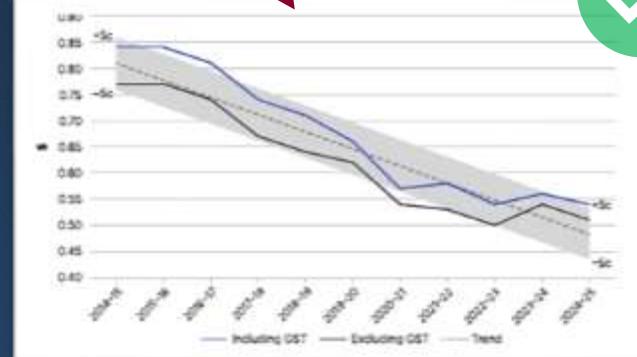
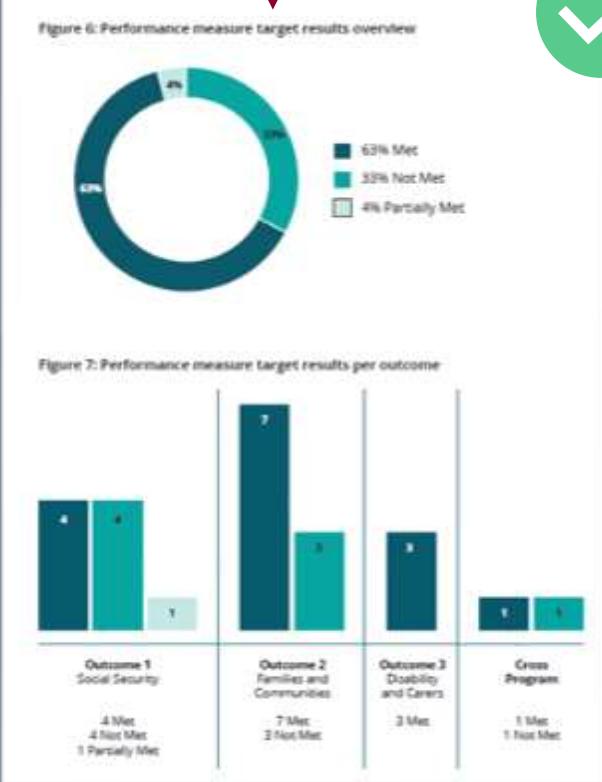
Source: Department Education 2024–25 Annual Report

Engaging presentation design can include:

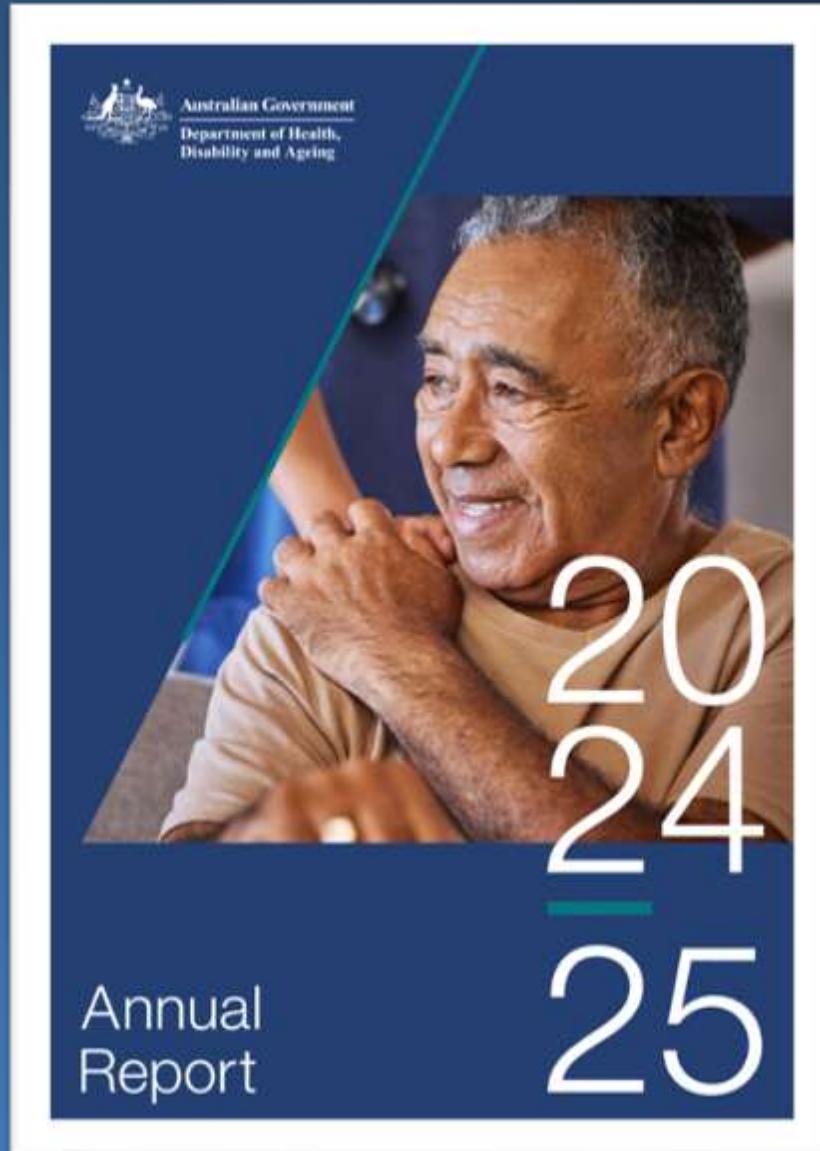
✓ Page references
for quick
navigation.

✓ Overview summaries
for enhanced
transparency.

✓ Visuals that
highlight trends
and key results.



MEANINGFUL INFORMATION



Source: Department of Health, Disability and Ageing 2024–25 Annual Report

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Program 1.9: Immunisation

Program Objective

Reduce the incidence of vaccine preventable diseases to protect individuals and increase national immunisation coverage rates to protect the Australian community.

The program's objective is to reduce the incidence of vaccine-preventable diseases by increasing national immunisation rates to protect the Australian community. The National Immunisation Program (NIP) supports access to safe and effective vaccines across the life course, with targeted initiatives to improve uptake among children, adolescents, older Australians, First Nations peoples and other priority populations.

Performance is assessed using 3 key indicators:

- immunisation coverage for children at 5 years of age
- immunisation coverage for First Nations children aged 12 to 15 months
- immunisation coverage for adolescents aged 15 years old

These measures are selected because they are identified as high-priority cohorts within national frameworks, including the National Immunisation Strategy 2025–2030, Closing the Gap, the Essential Vaccines Schedule (EVS) to the Federal Financial Agreement and the National Strategy for the Elimination of Cervical Cancer in Australia. These measures also correspond to the key milestones in the NIP vaccine schedule.

The program's impact is realised through increased coverage, which in turn reduces the incidence and burden of vaccine-preventable diseases. This relationship is well established: as coverage improves, rates of disease, hospitalisation and death decline. According to the AIHW 2019 report 'The burden of vaccine preventable diseases in Australia', studies showed the rate of vaccine-preventable burden decreased by 31% between 2005 and 2015.¹⁰¹ This reduction occurred where vaccines were added to, or eligibility was extended under the NIP such as human papillomavirus (HPV), pneumococcal disease and rotavirus. This reinforces the program's critical role in protecting individual and community health.

Immunisation coverage for other groups, including adults, older Australians and additional priority populations, is monitored and publicly reported through resources such as the National Centre for Immunisation Research and Surveillance (NCIRS) Annual Immunisation Coverage Reports.^{102,103}

In 2024–25, the department undertook a range of initiatives to strengthen immunisation uptake and confidence. This included national campaigns such as One more way you keep them safe and the First Nations Super Kids campaign. The EVS provided performance-based funding to states and territories to support improvements in childhood and adolescent coverage, including HPV.

The First Nations Vaccination Uptake Support Grant commenced in 2024–25 to support Aboriginal Community Controlled Health Services in driving improved coverage in their communities. A key development in 2024–25 was the introduction of coordinated protection against respiratory syncytial virus (RSV). From February 2025, the maternal RSV vaccine was funded under the NIP, with states and territories funding access to a long-acting monoclonal antibody for infants.

The department has commissioned a pilot project to improve maternal vaccination uptake in response to the increasing complexity of the pregnancy vaccine schedule. The project focuses on co-designed resources and delivery approaches.

¹⁰¹ The AIHW report is available at: www.aihw.gov.au/reports/immunisation/the-burden-of-vaccine-preventable-diseases/summary

¹⁰² NCIRS Annual Immunisation Coverage Report 2023 (summary report) is available at: www.ncirs.org.au/annual-immunisation-coverage-report-2023

¹⁰³ NCIRS – Immunisation Coverage Data and Reports (includes the 2024 interim release) is available at: ncirs.org.au/health-professionals/immunisation-coverage-data-and-reports



Future Focus of Performance Statements Auditing

‘right touch’

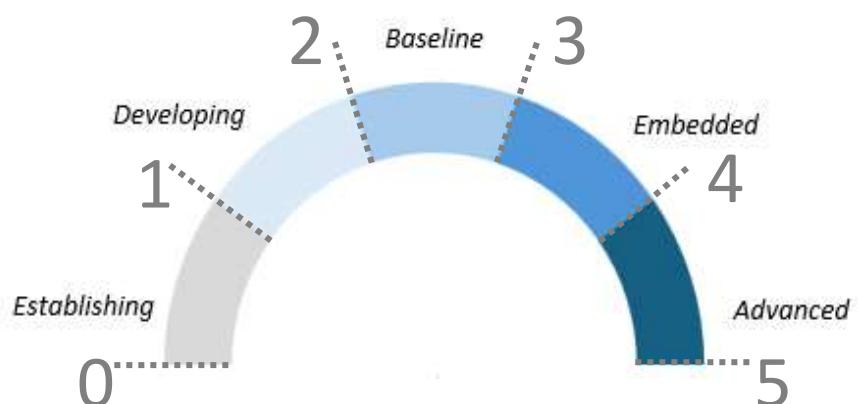
The ANAO will continue refining its audit approach to ensure performance statements audits apply a ‘right touch’ focus on the highest-risk areas, enhancing accountability, efficiency, and audit value.

Factors considered in assessing audit risk include:

- the performance reporting maturity of the entity;
- past audit results;
- implementation of measures to address audit findings;
- changes in key personnel involved in the performance reporting process;
- changes in the entity’s operations or environment;
- the entity’s compliance and control culture; and
- external factors such as parliamentary reviews.

Future Focus of Performance Statements Auditing

Assessment of entities' performance reporting maturity



	Leadership and culture	Governance	Data and systems	Capability	Reporting and records
2024–25 average	3.5	3.2	2.7	3.3	3.1
2023–24 average	3.3	3.1	2.6	3.0	2.8

2024–25 End of Year Report



The ANAO expects to present this report to Parliament for tabling in December 2025.

The report will cover the 21 entities included in the 2024–25 PSA program and examine:

Entity Performance – what insights do the 2024–25 performance statements provide about public sector performance in 2024–25?

Appropriate and meaningful — Provides guidance to entities to assist them to present meaningful information in their performance statements?

Trends in performance statements reporting — Is reporting quality improving?

Future Directions— What are the key areas for enhancing performance statements reporting and auditing, and what opportunities for improvement should be considered?

THANK YOU.

Questions?

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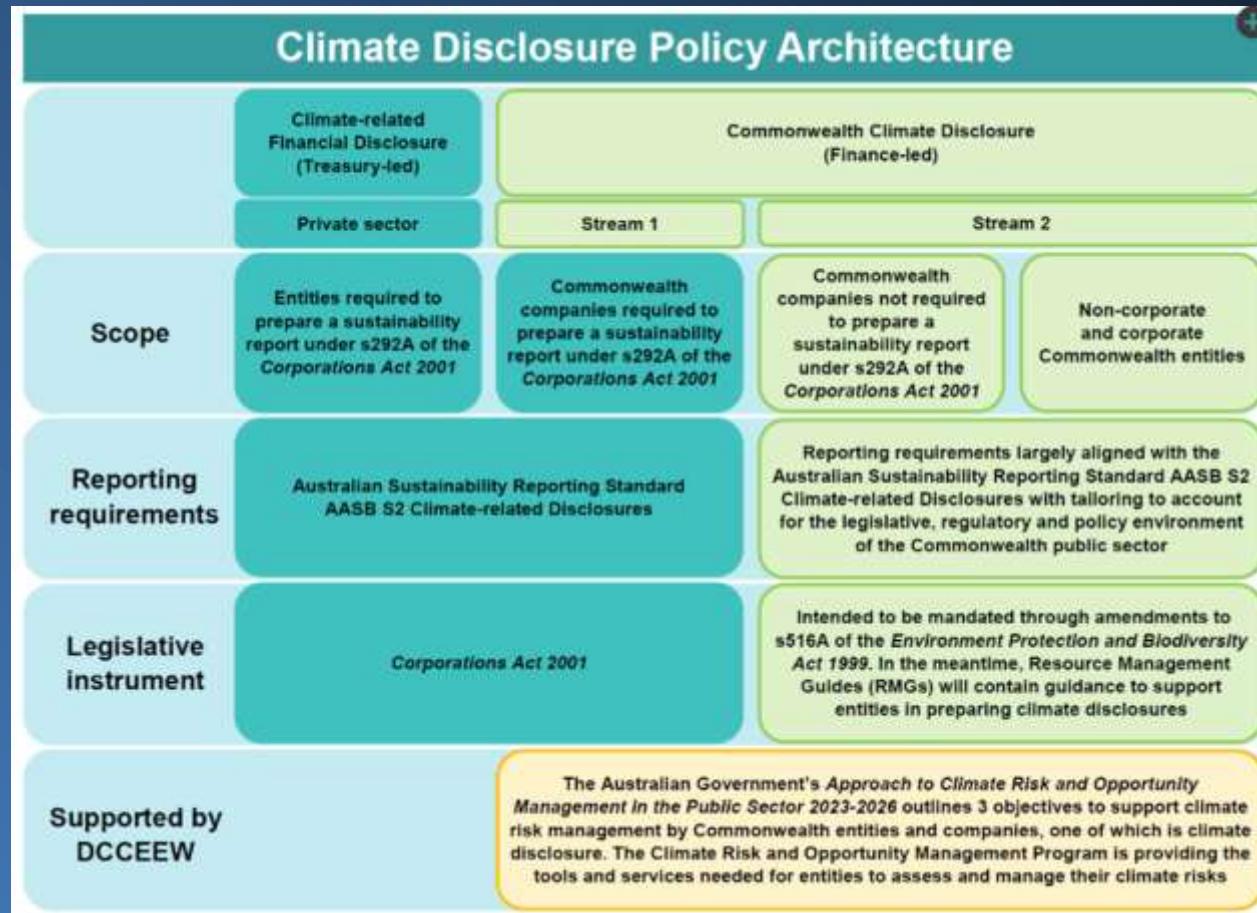
Update On Climate Disclosures

Jane Meade
Group Executive Director
Professional Services Group

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Reporting Framework



Source: Department of Finance website

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CCFD - Stream 1 Update - Reporting

Coming December 2025/January 2026:

- AASB S2 amendments to provide relief for GHG emissions disclosures:
 - Adopts IFRS S2 amendments to be published December 2025
 - Includes clarification of paragraph 29(a)(ii) to allow entities to use different GHG emissions methods for different parts of the business (e.g. entities reporting Scope 1 and 2 emissions under the NGER Scheme do not need to duplicate those emissions using the GHG Protocol).

CCFD Update – Stream 1 Update - Assurance

Proposed amendments to sustainability auditing standards:

- ED 02/25 proposes to amend ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*
- ED 03/25 proposes to amend ASSA 5000 *General Requirements for Sustainability Assurance Engagements*

Commonwealth Climate Disclosure (CCD) – Stream 2 Update - Reporting

The Department of Finance (Finance) has published:

- Full (Year 3) Commonwealth Climate Disclosure (CCD) Requirements; and
- Full (Year 2) CCD Simplified Requirements.

The full Year 3 CCD requirements apply to:

- Tranche 1 entities from 2026–27
- Tranche 2 entities from 2027–28.

The full Year 2 CCD simplified requirements apply to Tranche 3 entities from 2027–28.

CCD – Stream 2 Update - Reporting



Sequencing of the CCD reporting requirements:

Tranche	2024-25	2025-26	2026-27	2027-28	2028-29+
Tranche 1	Year 1 Requirements	Year 2 Requirements	Full (Year 3) Requirements	Full Requirements	Full Requirements
Tranche 2		Year 1 Requirements	Year 2 Requirements	Full (Year 3) Requirements	Full Requirements
Tranche 3			Year 1 Simplified Requirements	Full (Year 2) Simplified Requirements	Full Simplified Requirements

Source: Department of Finance website

CCD – Stream 2 Update

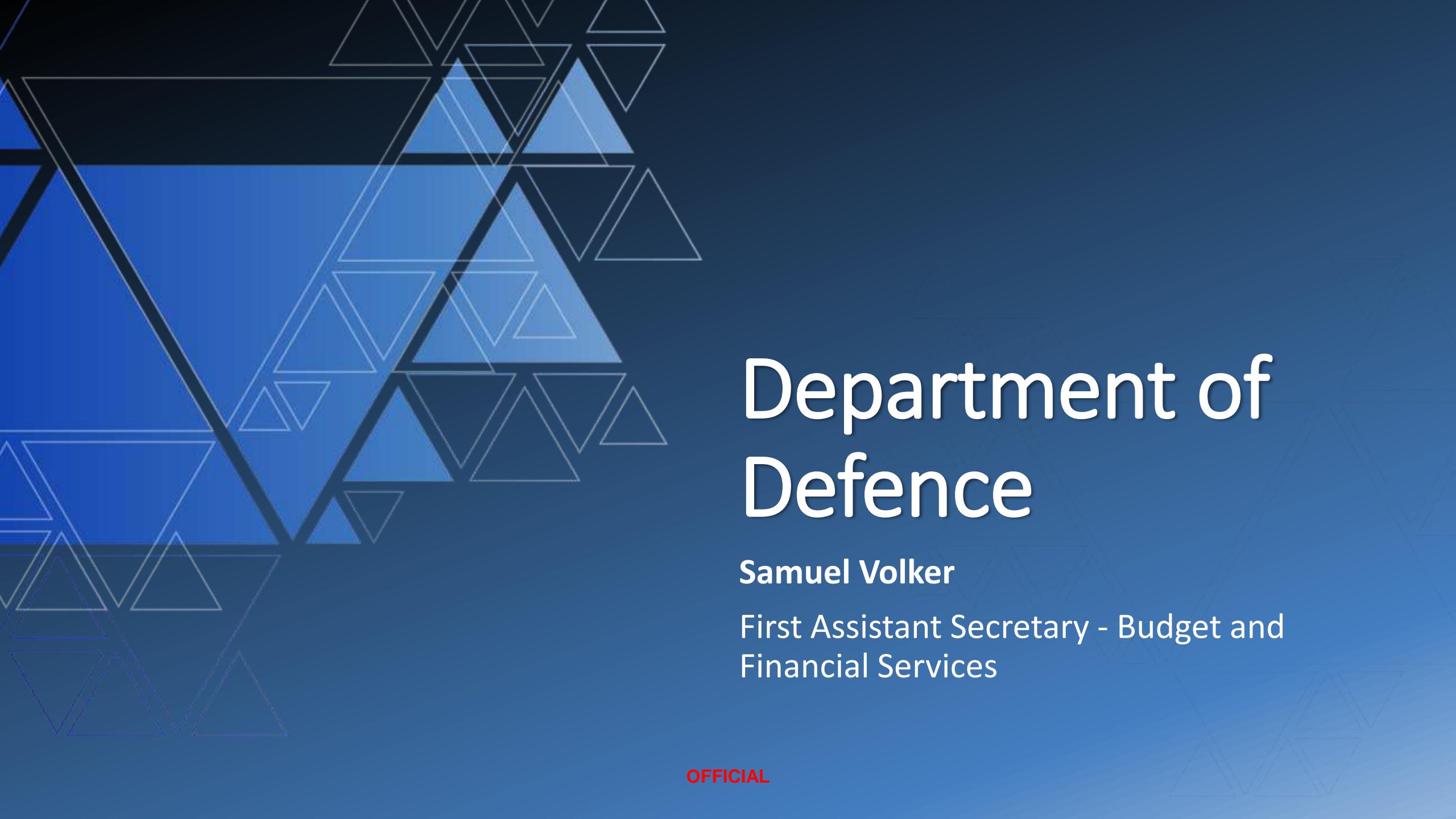


Tranche allocations:

Commonwealth Climate Disclosure Requirements for use by Tranche 1 and 2	Simplified Commonwealth Climate Disclosure Requirements for use by Tranche 3
Requirements will be progressively sequenced-in over three years	Requirements will be progressively sequenced-in over two years
Final Requirements for Year 2 and Year 3 reporting will be published in Q3 2025	Simplified Requirements will be published in Q3 2025
Year 1: Commonwealth Climate Disclosure Pilot Guidance and additional criteria <i>Tranche 1: FY2024-25</i> <i>Tranche 2: FY2025-26</i>	Year 1: Simplified Requirements <i>Tranche 3: FY2026-27</i>
Year 2: Year 1 Requirements with additional criteria <i>Tranche 1: FY2025-26</i> <i>Tranche 2: FY2026-27</i>	Year 2: Year 1 Simplified Requirements with additional criteria <i>Tranche 3: FY2027-28</i>
Year 3: Full Commonwealth Climate Disclosure Requirements <i>Tranche 1: FY2026-27</i> <i>Tranche 2: FY2027-28</i>	Carve-out for very small Commonwealth entities Tranche 3 entities with less than 20 employees that have been assessed not to have material exposure to climate risks and opportunities are only required to meet emissions reporting obligations under the Net Zero in Government Operations Strategy, and if applicable, the APS Net Zero by 2030 target
Tranche allocations	
<i>Tranche 1:</i> Departments of State, large Commonwealth entities, NGER reporting entities, Specialist Investment Vehicles, the Future Fund Management Agency, and Commonwealth entities with responsibility for climate change or climate risk disclosure policy design or implementation	
<i>Tranche 2:</i> Medium-sized Commonwealth entities	
<i>Tranche 3:</i> All remaining Commonwealth entities and Commonwealth companies	
Application Guidance	
"How-to" guides on specific elements of the Requirements or Simplified Requirements	

Commonwealth Stream 1 & 2 Assurance

The Department of Finance is developing a CCD assurance and verification policy in consultation with the ANAO.



Department of Defence

Samuel Volker

First Assistant Secretary - Budget and
Financial Services

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Australian Government
Defence

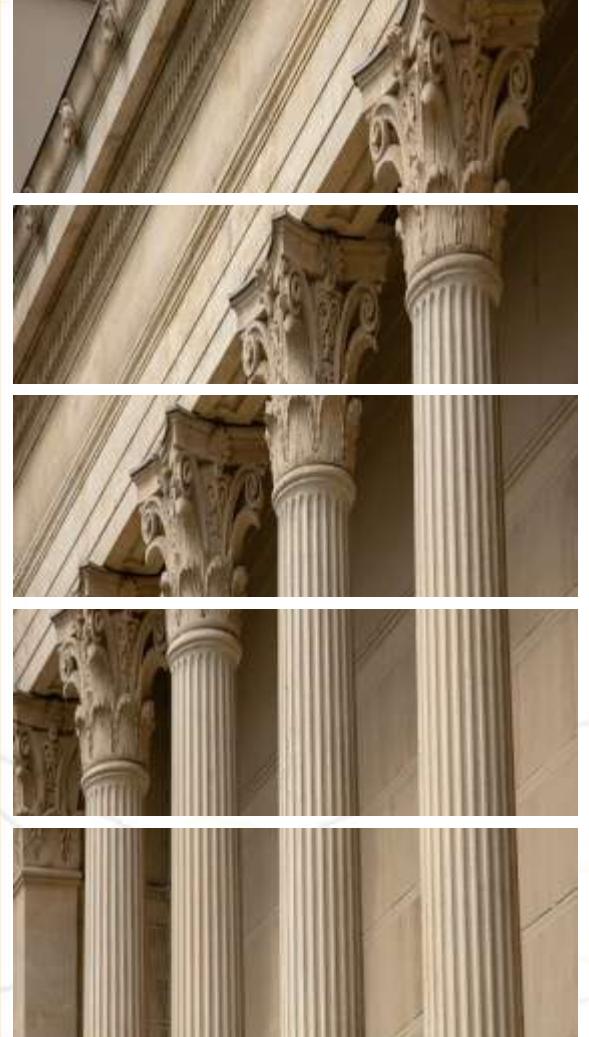
Financial Statement Preparation and Execution

Financial and Performance Reporting Forum
28 November 2025

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Pillars that uphold statutory reporting practice

Planning

Reflection

Engagement and Communication

Accountability and Transparency

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Planning

- Financial Statements project plan and timetable
- Consider prior year findings, observations and where you have seen risk in your organisation
- Agree an engagement model with the ANAO
- Ensure roles and expectations are clear – appoint a central point of contact to manage ANAO requests

“If you fail to plan, you are planning to fail.”

Reflection

Consider:

- Risks
- Control Environment
- Financial culture
- Observations & Feedback
- What worked / what didn't?
- Is work plan comprehensive?
- Use of Internal Audit
- Relationships
- Internal capability
- Organisational change
- Audit team continuity

... then update your plan



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Engagement and Communication

- Identify the key players and bring them in the tent ... early
- Be transparent
- Ensure internal stakeholders understand what needs to be resolved and timelines
- Undertake regular touchpoints
- Set up Audit and Risk Sub committees for material issues
- Walk in the shoes of someone reading the financial statements or undertaking the audit



Accountability and Transparency

Everyone has the same objectives – to ensure financial statements are materially correct.

- Own the issue – ethical obligation
- Understand the drivers of issues, materiality thresholds and probability
- Ensure clarity on actions and action owners
- Implement robust governance processes
- Operate transparently and work with the ANAO
- Mutual accountability using a ‘no surprises’ approach



Case Study 1

Resolution of ANAO Category A Finding – User Access

WARNING



- Recognised scale of issue
- Identified key parties
- Set up a sub committee of the Audit and Risk Committee
- Worked across the organisation to resolve. It was a 'Defence' finding, not a Defence Digital Group, Defence Finance Group or Defence People Group finding
- Addressed as a collective

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Planning

- Develop financial statement plan.
- Appoint an audit liaison/lead to support the ANAO and manage information requests.
- Review prior year financial statements and auditor management letters. *Take findings and ANAO 'observations' seriously.*
- Review reporting framework for updates i.e. changes to accounting standards.
- Allocate resources - Define responsibilities for each component (notes, schedules, consolidation).
- Evaluate major transactions planned for the reporting period.
- Establish materiality thresholds for internal preparation.
- Document accounting policies and any expected changes. Plan for position papers.
- Assess if experts are required and engage (e.g. valuers, actuaries).
- Regular check ins with the ANAO. Minute the meetings.
- Ensure Audit lead has escalation point within Department and they meet regularly.
- Plan for cyclical work such as stocktakes, impairment assessments, valuations, etc.

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Execution (Interim)

- Ensure data requests are complete and timely.
- Prepare interim trial balance for auditors.
- Provide schedules for high-risk or complex areas.
- Prepare updates on significant transactions/events.
- Provide documentation for internal controls updates.
- Support auditor's interim walkthroughs and control testing.

Execution (Final)

- Finalise year-end trial balance.
- Complete balance sheet reconciliations.
- Prepare year-end journals.
- Finalise fixed asset register and depreciation.
- Perform impairment assessments (PP&E, Intangibles, etc).
- Review and record provisions and contingencies *(seek advice from legal counsel).*
- Review revenue recognition at year end.
- Prepare complete financial statements, variance explanations and notes.
- Prioritise final audit queries.
- Complete subsequent events review documentation.
- Prepare representation letters *(seek input from senior management across your entity).*



General questions and closing remarks

Carla Jago
Group Executive Director
Financial Statements Audit Services Group

