



Australian National Audit Office

Department of Finance

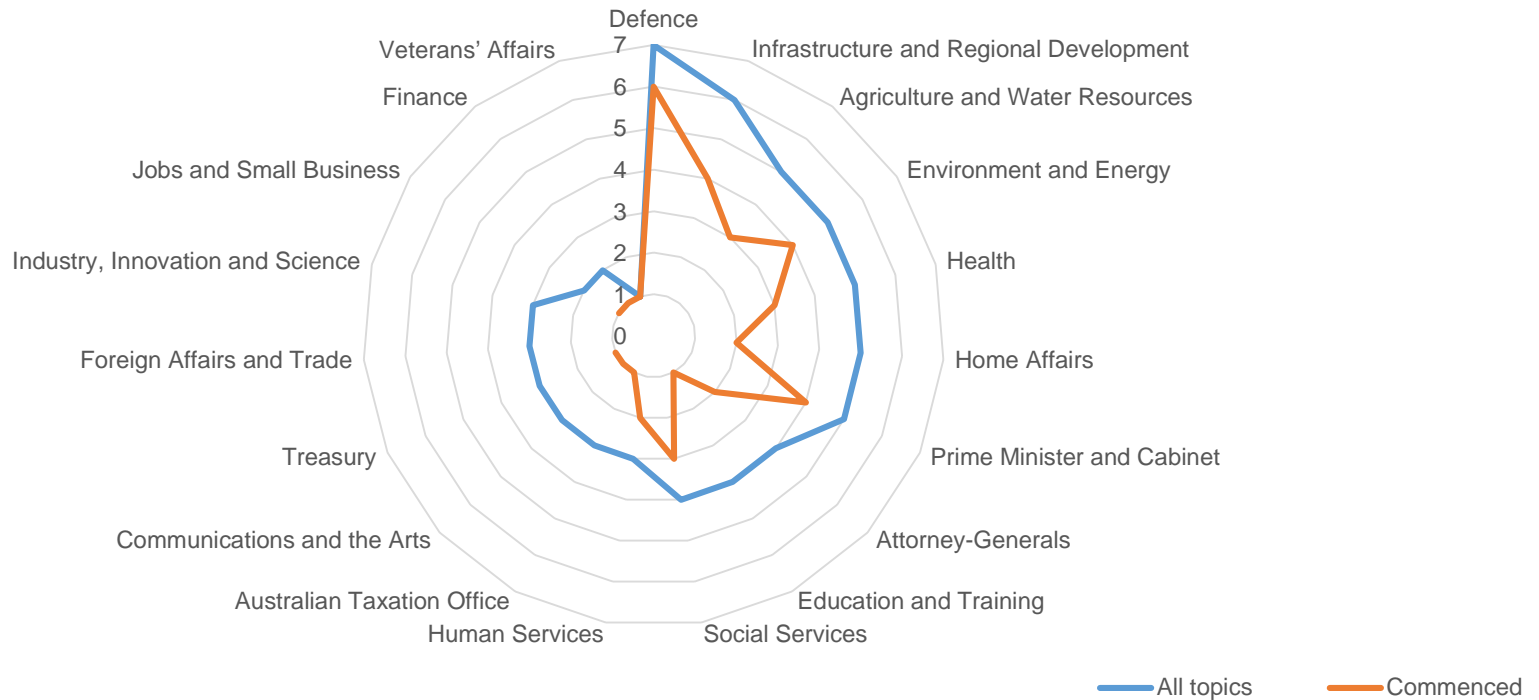
Audit Committee Chairs Forum

15 June 2018

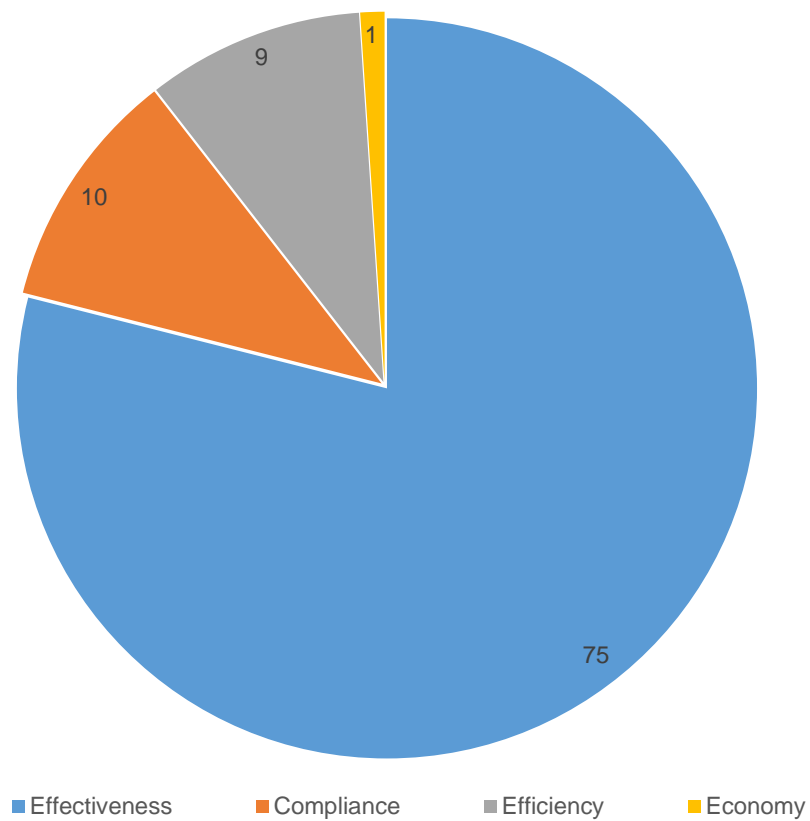
ANAO 2017-18 Program

Grant Hehir
Auditor- General

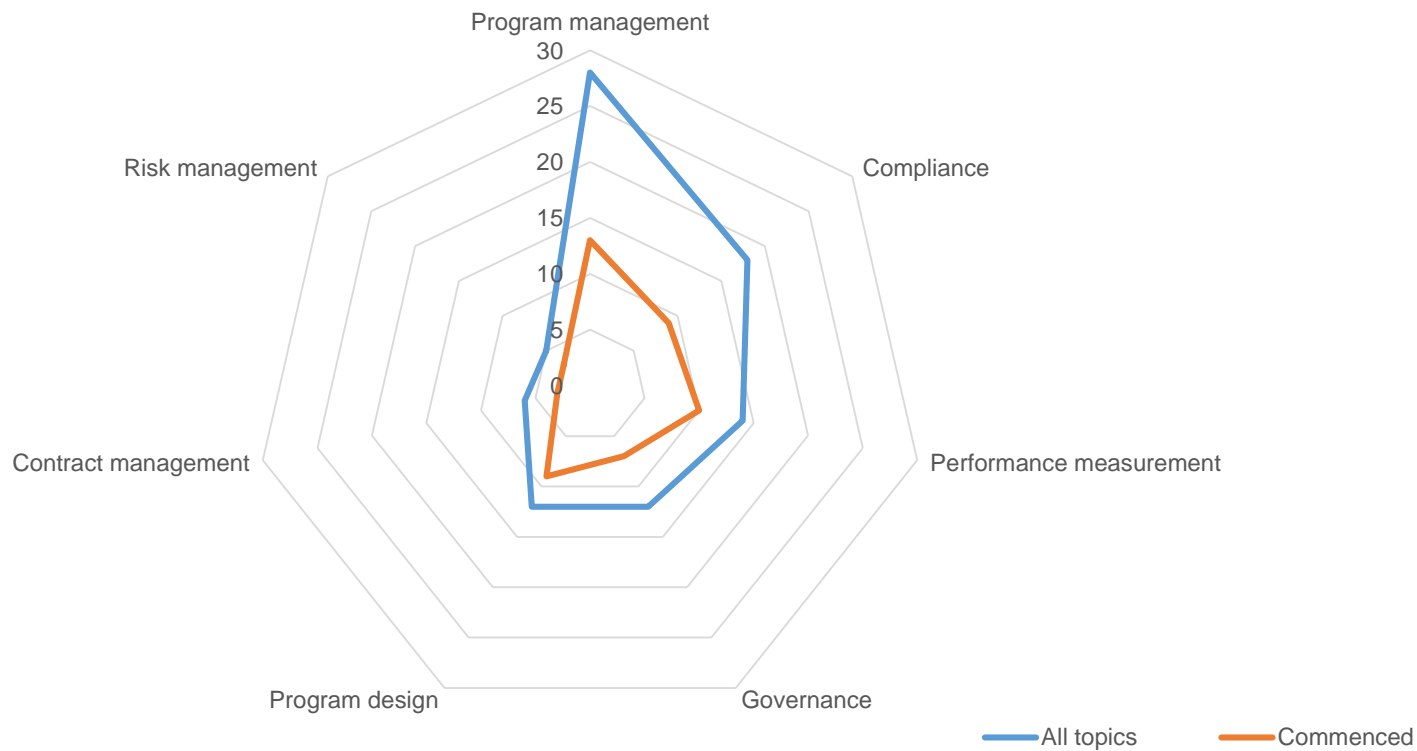
Portfolio coverage



Objective



Themes



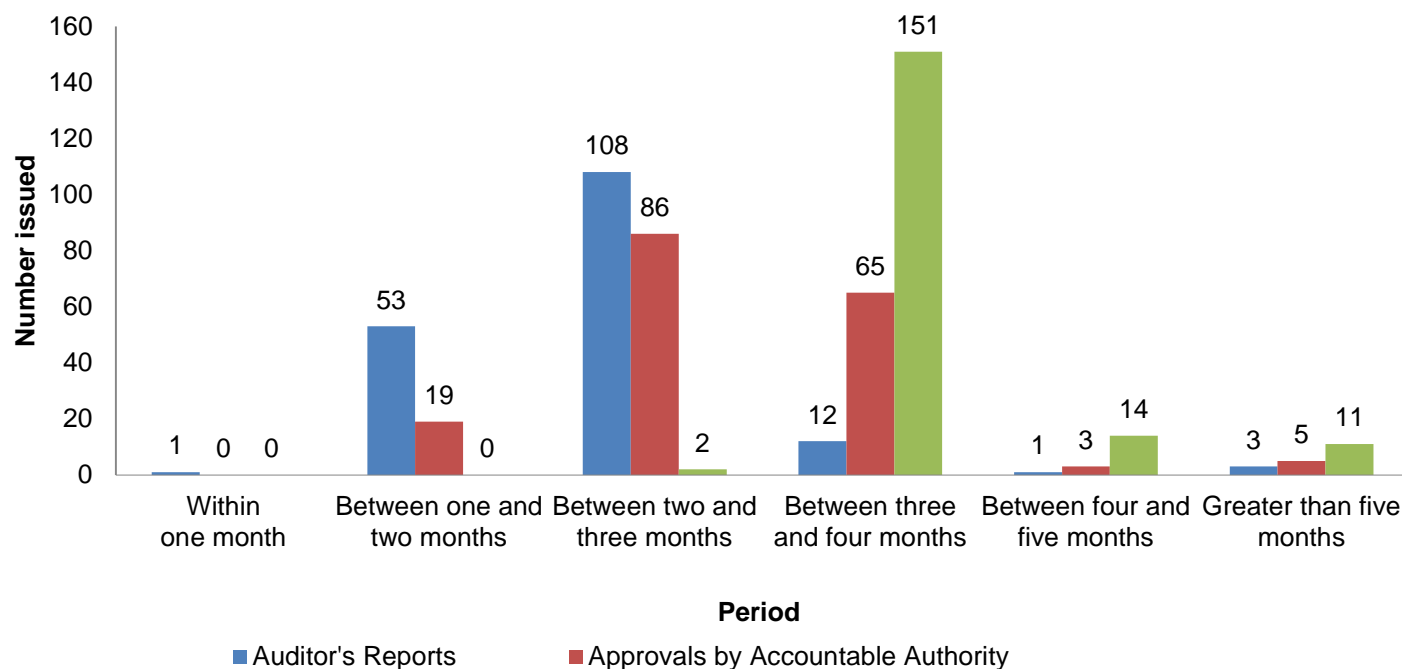
Issues from audits

- Getting the basics right - compliance with mandatory requirements - does it need improved controls?
- Is there a strong enough focus on value for money?
- What can be done to increase the use of evidence in developing and assessing programs based?

Supporting the Parliament

- 10 appearances before JCPAA
- 20 briefings to other committees and individual parliamentarians
- Written briefings to all estimates committees on relevant audit work
- Around 200 individual mentions of ANAO reports in Parliament

Timeframes for issued auditors' reports and tabled annual reports

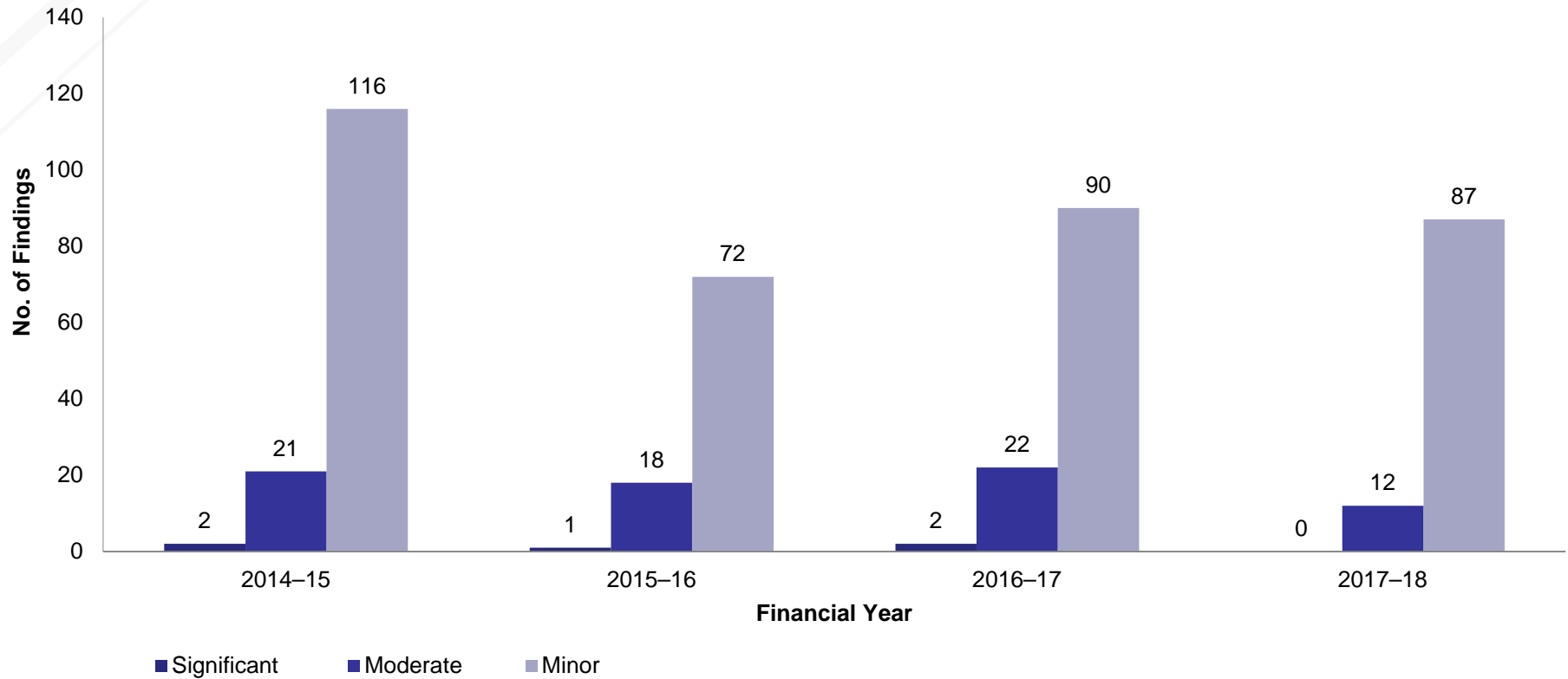


Source: ANAO analysis

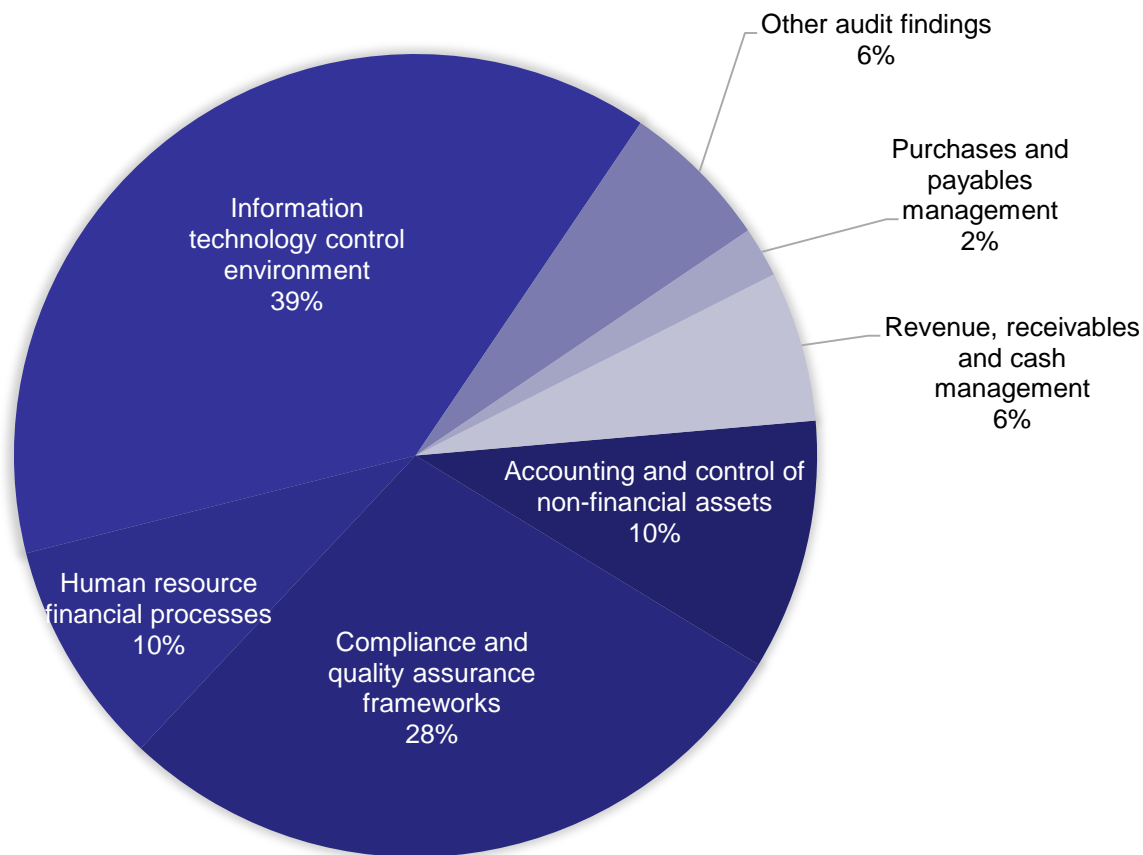
Interim report on key financial controls of major entities (2017–18 financial year)

Carla Jago
Group Executive Director
Assurance Audit Services Group

Aggregate audit findings for last four years

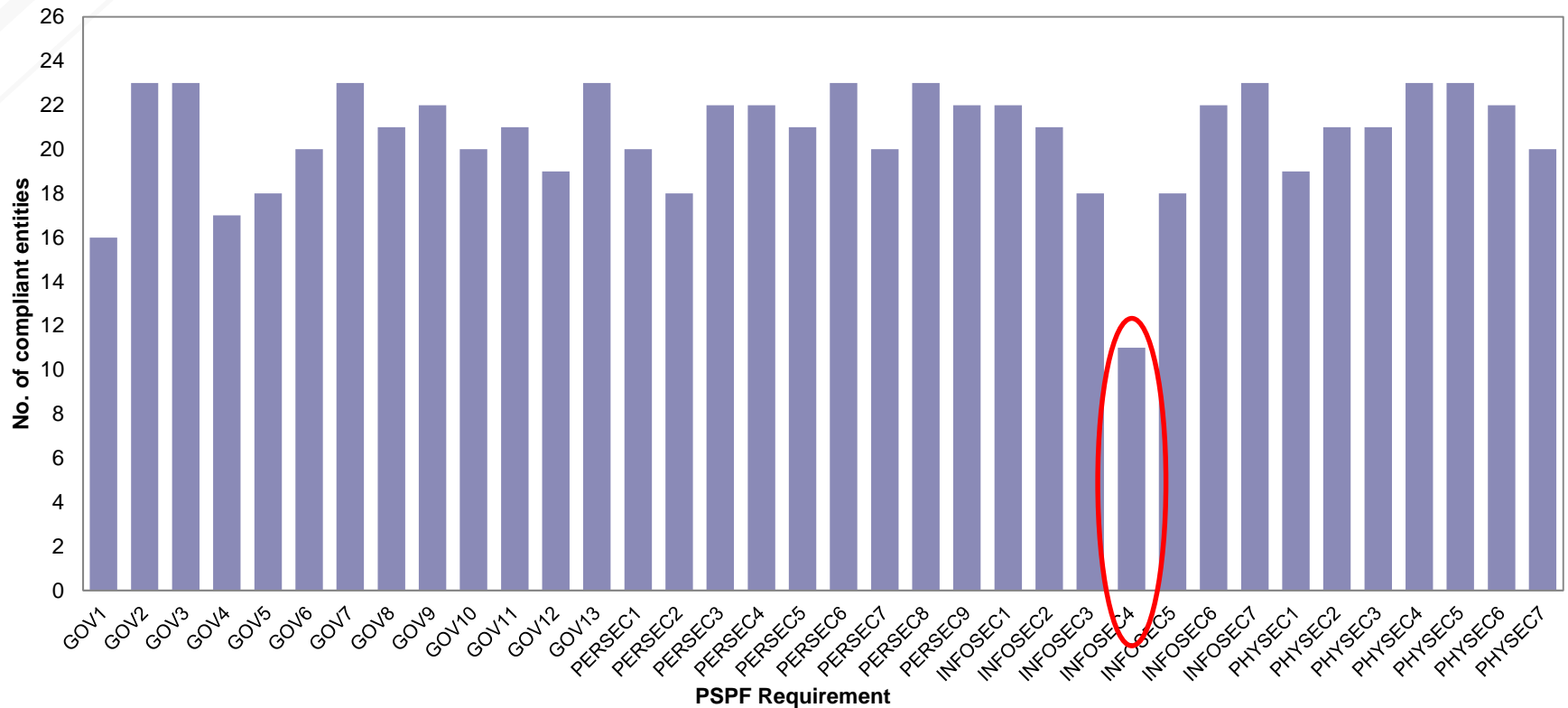


2017–18 interim audit findings – by category

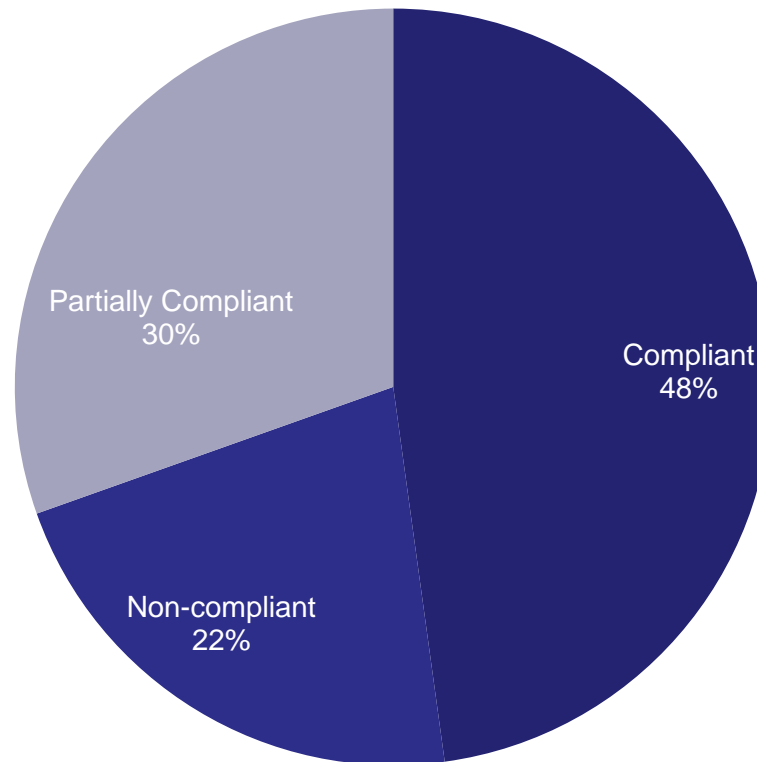


Source: ANAO compilation of interim findings.

PSPF compliance comparison by mandatory requirement



Entity compliance with INFOSEC 4



Outcomes from recent performance framework audits – Corporate Plans, Performance Statements

Tom Ioannou
Group Executive Director
Performance Audit Services Group

Audit series

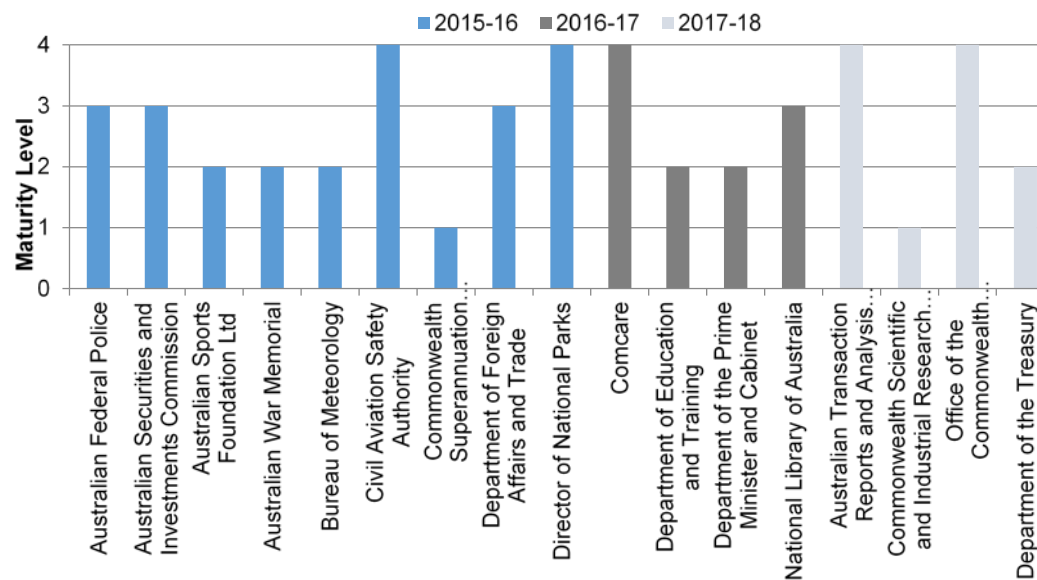
- Three audits of corporate planning
- Two audits of entities' preparation of annual performance statements
- 23 entities audited to date (not including Finance)

Corporate Plans audit

- No.36 of 2017-18, *Corporate Planning in the Australian Public Sector 2017-18*
- Tabled 23 April 2018
- Four entities
- Four recommendations plus key learnings

Corporate plan as primary planning document 17 entities

Figure: 1 Assessment of whether corporate plans were positioned as the entity's primary planning document (planning cycles 2015–16, 2016–17 and 2017–18)



Performance Statements audit

- Report No.33 of 2017–18, *Implementation of the Annual Performance Statements Requirements 2016–17*
- Tabled 28 March 2018
- Four entities
- Four recommendations plus key learnings

Current Performance Statements audit

- Third in the series
- Implementation of the Annual Performance Statements Requirements 2017-18
- Currently underway: due to table November 2018
- Four entities: AGD, DET, DFAT, PM&C

Joint Committee of Public Accounts and Audit

- JCPAA Report 469: *Commonwealth Performance Framework*
- Released December 2017
- Recommendation 5: that ANAO consider conducting an audit of one complete Commonwealth performance reporting cycle, including whether a clear read of performance information has effectively been established, with consistent terminology and improved line of sight across performance reporting documentation
- Consideration in context of annual ANAO work program

Performance audits: Key learnings and audit insights 2017-18

Lisa Rauter
Group Executive Director
Performance Audit Services Group

Risk Management

- Should be active throughout the program or project lifecycle – updated as milestones are met or circumstances change and mitigation strategies adapted
- Project level risk management should be linked to organisational risk management framework
- High or changing risks should be reported to the Executive

Performance Measurement

- Critical to inform further investment decisions or adaptations
- Accountability to Parliament and taxpayers
- Continuous improvement
- Evidence-based decision making

Record Keeping

- Long standing issue
- Necessary to inform future decision making and learning
- Electronic systems improving outcomes, but more improvement still needed – especially when agencies merge

Evidence-based Policy and Programs

- Use of data can inform policy and performance
- We have access to large data sets – we need to use them
- Documenting the evidence is important for accountability and transparency
- Strong, broad evidence and engagement across policy and service delivery should lead to more effective impactful programs and activities.
- Without evidence of success or failure we cannot inform necessary adaptations or further investment/expansion

Knowing your market

- Leads to better value for money
- Leads to better scoping and contract negotiations
- Leads to better lifecycle scope control
- More informed buyer

Strong Corporate Planning Organisations

- Have an integrated, structured and documented approach to supporting the development of their corporate plans
- Ensure roles, responsibilities and accountabilities are clearly defined and operating as intended;
- Consult relevant internal and external stakeholders
- Ensure entity management is fully engaged in the development process.

Focus of ANAO data strategies

Jocelyn Ashford
Senior Executive Director
Systems Assurance and Data Analytics

Data Analytics Strategy

In response to:

- changes in the use of technology; and
- ability to leverage technology.



The objective is to increase our capability to:

- deliver efficiencies in our audit and assurance activities;
- maximise the opportunities of using data in a growing digital Government.

No change in our audit approach – Risk & assurance.

Our focus

- Three key activities relating to people, technology and audit process:
 - Capability – Data Literacy and Data Analytics
 - Data and Analytic Tools
 - A Data Analytics Pilot – Procurement
- Success
 - Sustainable methods for risk assessment & efficient audit testing
 - Ability to assess changes in entities and respond quickly



Questions?



Australian Government

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Accounting standard changes for 2017-18 reporting period

**Peter Brown
A/g Assistant Secretary
Budget Estimates and Accounting**



Australian Government

Department of Finance

2017-18 Final Budget Outcome and Consolidated Financial Statements

Angela Baum
Assistant Secretary
Reporting and Resourcing



2017-18 Consolidated Financial Statements (CFS) – Key Dates

- Data submitted in CBMS Annual Actuals and audit-cleared financial statements
 - Material entities due: Wednesday, 15 August 2018
 - Small entities due: Thursday, 30 August 2018
- Supplementary reporting packs (SRPs)
 - Material entities due: Friday, 17 August 2018
 - Small entities due: Thursday, 30 August 2018
- Signed financial statements (within one day of signing)



Supplementary Reporting Packs (SRPs)

- The SRP standardises and formalises the collection of additional information from entities required for the preparation of the CFS
- Lessons learnt from the 2016-17 process
- The 2017-18 SRP will comprise two sections:
 - verification of information entered into CBMS
 - completion of the questionnaire covering the disclosure information required for the CFS



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Recent issues relevant to audit committees

Lembit Suur

First Assistant Secretary

Public Governance, Performance and Accountability



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Forum close