

Joint Committee of Public Accounts and Audit
Answers to Questions on Notice
Inquiry into Annual Performance Statements 2021-2022

Department/Agency: Australian National Audit Office

Outcome/Program Group: Outcome 1, Program 1.3 Performance Statements Audit

Topic: Inquiry into Annual Performance Statements 2021-2022

Type of question: Hansard, Friday 28 July 2023, Page 18,19

Date set by the committee for the return of answer: 23 August 2023

Number of pages: 2

Questions:

Mr Hehir: I think what we're trying to do is drag the interim component of our audit where you're looking at the measures as early as possible. So, you can start looking at the measures and systems almost before the end of the calendar year, because the corporate plans come out in August. We're doing the audit of the statements in August-September—that type of thing—but once you get to November you can probably start doing your base interim work. If you can feed that in and get that work finished early in the next calendar year, then it can feed into the corporate plan process. This year the Minister for Finance has already given us the letter which allows us to start the audits for next year. We're hoping to drag all of that forward.

CHAIR: It's a very efficient government.

Mr Hehir: We're hoping to drag that forward so we can address some of those concerns. It's right: if we're giving interim findings on the effectiveness of measures and it's too late to affect the next corporate plan, then you have a two-year cycle rather than a one-year, and that doesn't make sense.

CHAIR: Could you maybe take that on notice because it's an issue that we could be guided by.

Mr Hehir: Certainly if it was a mandated audit—

Ms Mellor: We'd just start it.

CHAIR: Yes, I got that. I think Finance got that too. The committee has previously expressed a view on that, so we'll just repeat ourselves

Mr Hehir: It's a real issue; we agree. It's something we need to work on.

Answer:

Performance statements audits are structured similarly to financial statements audits with a planning, interim and final phase, to allow entities time to correct issues noted and align with annual report tabling.

To leverage the benefits of performance statements audits, the ANAO seeks to commence audits as soon as possible in a new financial year. Among other things, early commencement enables the ANAO to work collaboratively with entities to identify opportunities for improvement, which can be reflected in the preparation of the entity's Corporate Plan and PBS for the next financial year. The timing of a request from the Finance Minister or responsible Minister under section 40 of the *Public Governance*,

Performance and Accountability Act 2013 (PGPA Act) influences the commencement of a performance statements audit.

For the 2023-24 audit program, the Finance Minister's request was received on 18 July 2023, which is earlier than for the 2022-23 audit program when the Finance Minister's request was received on 16 January 2023. This timing will enable the ANAO to commence its audits for the 2023-24 financial year in a timely manner following publication of entity corporate plans, which under the *Public Governance, Performance and Accountability Rule 2014* must be published on the entity's website by 31 August.

The aim for the 2023-24 performance statements audits, is to provide entities with initial findings concerning performance measures in December 2023. This timing, is significantly earlier than previous years, and would enable entities to consider opportunities for improving their corporate plan for the next financial year.