

Joint Committee of Public Accounts and Audit

Inquiry into Commonwealth Financial Statements 2022-23

Public Hearing – 24 April 2024

ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Internal Audit

Question reference number: IQ24-000028

Question asked by: Julian Hill

Type of Question: Spoken **Hansard Page/s:** Page 10

Date set by the Committee for the return of answer: 24 May 2024

Question:

CHAIR: I absolutely take the point that there was a trade-off in audit—maybe not quality versus quantity but, let's say, depth versus quantity. That's a discussion we had through the 10-year review last term—in mind-numbing, repetitive detail, at times—around what the right level of auditing is for the Commonwealth in performance auditing, for instance. So I take that point, and so on, but the advice we've got was that over 2020-21, 2021-22 and 2022-23—a three-year span—there was a 20 per cent reduction in the internal audit budget. I might, in the interests of time, leave that there. You can reflect on the Hansard and double-check it. I do appreciate that the number of audits doesn't necessarily mean anything. You might rightly choose to do some deeper audits on really big things in a given year; that makes perfect sense. But, if the aggregate budget—if the advice we've got is correct and we've read it right—is reduced by 20 per cent, then, unless there have been significant changes to the entity through MOGs or whatever, that does seem to be a reduction in internal audit capacity, however you choose to report it. Does that make sense?

Mr Harvey: I'll check that. What I said is: actual expenditure went up. I didn't check the budget, so I'll check that.

CHAIR: Absolutely, and actually, if you want to—as part of checking that—just give us the actual expenditure in 2020-21, 2021 22, 2022-23, that's actually the real yardstick that matters, not whatever your sort of notional budget was.

Mr Hetherington: I think that's right. We'll take a look at those numbers, and [inaudible] on it.

Answer:

The budget and actuals for delivery of the Internal Audit Work Program, by year is provided in the table below.

Year	Budget *	Actuals*
2020-21	\$1,174,187	\$837,530
2021-22	\$1,138,416	\$1,118,611
2022-23	\$865,345	\$865,345

* This excludes Internal Audit administrative costs such as staffing, professional memberships, training and conferences.