

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 70

Topic: Technical expertise

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Senator Cormann asked:

Senator CORMANN: Sorry, before we get there: out of your team of people who are involved in auditing small to medium-sized enterprises, can you—maybe on notice—give me the statistics as to how many of those people directly involved in audits of small to medium-sized enterprises have accounting or other relevant business degree qualifications and how many of them do not, and, to the extent that that is not too difficult, how that has been tracking in recent years? On the face of it, I would have thought any private auditing firm would not use staff without accounting qualifications, so it seems a bit odd that the ATO would use staff that are not qualified.

Mr D'Ascenzo: I am not sure we have those details. We will certainly see, but the short answer is that you have to have the skills and capabilities to compete for those positions. All our positions, by the way, are out to the public so it is open for anyone with the relevant expertise and skills to compete in selection processes. At the end of the day we get people who have the best experience and the best fit and technical capabilities to do the job.

Answer:

The ATO is unable to provide precise figures, for the current and previous years, on the number of staff working in audit teams who have law or accounting qualifications. Staff are encouraged, but currently not required, to record their qualifications on ATO corporate systems.

The ATO is currently actively encouraging all staff to update their qualifications on internal human resource systems.

As at 17 June 2011, information on ATO corporate systems show that approximately 770 ATO officers are engaged in small and medium enterprise auditing activities.

Of these officers:

- 59% have disclosed information stating they possess a bachelor degree or higher qualification with the most common fields of study being accountancy and business studies

- 16% have disclosed information stating that they possess a masters with the most common being legal and accountancy qualifications
- 12% have disclosed information stating they possess a post-graduate diploma with the most common fields of study being legal and accountancy

Of the percentages given above, some officers hold multiple qualifications. The ATO corporate human resource system does not provide data to show how many officers have two or more degrees.

In addition to those who have an existing qualification, ATO corporate systems show that for 2010-11 around 19% of small and medium enterprise active compliance audit staff are at various stages of completing further tertiary qualifications ranging across disciplines such as accounting, law and taxation.

The ATO's ongoing commitment to ensure small and medium enterprise active compliance has suitably qualified auditors is evidenced through its support of the Tuition Assistance Program, study support and the graduate recruitment program.

In respect of the graduate program, the last two years has seen an increasing trend in the number of graduates being permanently placed in small and medium enterprise active compliance audit teams. Of the 53 graduates placed on rotation through small and medium enterprise active compliance during this period, 38 (71%) have been permanently placed in small and medium enterprise active compliance audit teams.

These graduates have qualifications across a range of disciplines including commerce, accounting, business, law, economics, finance, and taxation.

The ATO has recruited a record number (405) of graduates so far in 2011. While these graduates come with a range of qualifications, the bulk are accounting and law graduates who, after their induction period, will be placed into tax technical/audit roles across the ATO's compliance sub-plan including small and medium enterprise active compliance.

Audit officers in the small and medium enterprise area participated in more than 17,000 hours of structured technical training in the financial year to 31 March 2011. This is an average of more than 21 hours per officer. Technical training sessions are scheduled year round with attendance being managed to fit in with the individual officer's skilling needs and case priorities.