

Performance audit engagements

The Queensland Audit Office (QAO) gives parliament and the community independent, valued assurance that state and local government entities are delivering public services efficiently, effectively, and economically.

We provide integrated audit and engagement services and share our insights from across our work, so all entities can apply our learnings.

Our financial audits deliver our audit opinions on the accuracy and reliability of Queensland public sector and local government entities' financial statements. Our performance audits examine government programs to consider if public money is being used well and if entities are achieving their objectives for public service delivery.

We conduct our work under the [Auditor-General Act 2009](#) (the Act); complying with the [Auditor-General Auditing Standards](#) and related Australian standards. The level of assurance we provide varies based on the audit scope, results of our audit work, and data availability and quality. Our mandate enables us to conduct performance audits of all public sector entities, including local governments.

When selecting the topics for our performance audits, we focus on the strategic risks facing entities, and where we can provide the most value to influence change. We share how we select our audit topics in our [fact sheet](#) about our forward work plan.

QAO welcomes requests for audits from elected members, our clients, stakeholders, and the public. Further information on requesting an audit, and how we respond to requests, is available in our [fact sheet](#). We publish the requests we receive from elected members on our [website](#) to ensure transparency.

We consider our clients' views when developing the scope and criterion for performing the audit, and when we prepare our findings, conclusions and recommendations.

Our auditors operate with integrity, objectivity and transparency. Our independence and our passion for improving Queensland public services are fundamental to our audit work.

Overview of our audit method



Planning

The audit team develops the audit scope and methods. We formally notify the entity's chief executive, audit and risk management committee, respective minister, parliamentary committee, the Premier, and the Director-General of the Department of the Premier and Cabinet about the audit commencement.



Conduct

The audit team collects information and evidence through enquiries, document reviews, data analysis, and audit testing. We discuss findings or insights and recommendations with the entity during the audit, and share our preliminary facts and findings.



Reporting

We draft our report to parliament, asking the entity and minister to provide feedback via formal comment, before we table it in parliament.

Fact sheet

Preparing for an audit

To minimise disruption and maximise the value obtained from an audit, entity staff should:

- make sure they understand the scope, focus and timing of the performance audit – these are outlined in our audit program: www.qao.qld.gov.au/audit-program
- review their relevant strategies, plans, records, and datasets to make sure they are up-to-date and are readily available for the audit team
- compile documentation on how they monitor and measure the effectiveness, economy, and efficiency of the activity to be audited, and have the most recent self-assessment results ready
- check that staff likely to be needed for the audit will be available at the times set out in the engagement letter and audit strategy
- provide the audit team with suitable on-site accommodation when it is needed.

Communication with entities

Performance audits do involve the commitment of resources by the audited entity. It is important that we work well together through good levels of shared communication and engagement to limit disruption.

We develop and discuss with entities a strategy for how we will conduct the audit in the most efficient and effective manner. It includes key deliverables and milestone dates which we will agree with entities at the beginning of the audit.

A QAO engagement leader manages each of our performance audits, and we ask entities to nominate an executive liaison officer as their primary point of contact. This person should have sufficient seniority and command of the audit topic to authoritatively represent the views of the entity. They must also have ready access to the chief executive to be able to update them as the audit progresses.

We provide regular updates to the audited entity and key stakeholders throughout the conduct and reporting phases.

Our recommendations and insights

Our performance audits include recommendations or insights on how to improve the activity that we have audited. By accepting our recommendations, the entity involved agrees to resolve the gaps in performance and implement improvement opportunities.

Our reports may also include other advice, actions, and examples of better practice in or alongside our reports for entities to apply.

We also expect that audit committees will monitor entities' implementation of our recommendations and hold those charged with governance to account.

Reporting to parliament

We issue a proposed (draft) report to entities prior to completion of the audit. Entities have 21 days to send us a written response, which we usually include in the report we table in parliament. For complex topics, we may also issue an earlier version of the report, prior to the proposed, to ensure a balanced report.

Our [fact sheet](#) shares how we prepare our reports to parliament.

After the performance audit

Parliamentary inquiry

Once tabled in parliament, each of our performance audit reports is referred to the relevant parliamentary committee. QAO staff often brief committee members on the audit results. The committee may decide to hold an inquiry into the report, but it is not obliged to do so.

If an inquiry is held, entity staff may be required to appear before the committee in public to answer questions about the report findings and to update the committee on the implementation of audit recommendations.

The committee usually prepares and tables in parliament a report on the results of its inquiry.



Follow up with entities

Each year, we ask entities to self-assess their progress in implementing our recommendations. We prepare a resultant report to parliament on entities' progress, and our insights on common challenges or opportunities for improvement entities face. This report, called Status of Auditor-General's recommendations, is available on our [website](#).

Based on the responses to this process, and as part of our annual forward work planning, we may consider a follow-up audit and report to parliament.

Feedback and quality service delivery

Client service and audit quality are a priority for QAO and we strive for the highest professional standards. We have a number of approaches and mechanisms in place to ensure our audit activities are effective, efficient and comply with quality requirements.

Our Assistant Auditors-General look after our relationships with parliament, our clients and stakeholders, and oversee the quality of our service delivery.

They meet with our audit clients throughout the year, including the entities we have engaged on a performance audit. The Assistant Auditors-General seek views from entities on our performance including our audit process, engagement, and reports to parliament.

An independent research provider also sends audited entities a survey for feedback.

We listen to our clients' views and use their feedback to identify areas for improvement and report on our own performance.

Confidentiality and access to information

Our Act provides us with full access to any documents and information necessary to conduct a valuable, efficient, and effective audit. This includes access to relevant cabinet documents, for which we liaise with the Cabinet Secretary when sourcing.

If required, the Act also provides us with the ability to compel testimony and requires entities to provide documents. We rarely use this power and seek first to obtain information through collaboration and normal channels before pursuing such a course of action.

Because of our access powers, the Act also includes strong confidentiality provisions that safeguard the information collected during an audit.

Entity staff need to be particularly aware of the restrictions the Act places on the release of any information contained in draft versions of the report or related audit documents.

Further information on QAO's gathering of audit evidence is available via the [fact sheet](#) on our website.





www.qao.qld.gov.au/reports-resources

www.qao.qld.gov.au/audit-program

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