

Strategic audit planning

Our organisation

The Queensland Audit Office (QAO) has a central role in Queensland's integrity system. We provide parliament with independent assurance about the performance and accountability of the public sector, and provide insights into how well public services are being delivered.

Our vision—at the core of our role—is to assist both parliament and the public sector to deliver better public services for Queenslanders. We aim to achieve this by delivering independent, valued assurance and insights.

Strategic audit plan

Our legislation requires us to publish by 30 June each year a strategic audit plan (SAP), which details the performance audits we plan to table in parliament for the three-year period commencing 1 July. In order to provide our clients with as much advance notice as possible, we aim to publish our SAP by December 31—at least six months in advance of our legislative deadline.

Our performance audits cover a range of topics focusing primarily on economy, efficiency and effectiveness. The SAP is the culmination of our ongoing efforts to understand the challenges, risks and opportunities facing the Queensland public sector, and is a vehicle to communicate our future audit direction. It provides advance notice about our audit focus, giving entities the opportunity to prepare, while engaging constructively with the audit process.

Our planning process

Our strategic audit planning process has three main phases (see Figure 1). It includes ongoing discussions with our stakeholders to inform the development and refinement of audit topic ideas. The three main phases can be summarised as follows:

- understand what's important
- decide what to audit
- communicate the plan.

Figure 1
QAO strategic audit planning approach



Fact sheet



Understanding what's important

We understand what is important through our ongoing intelligence gathering. We:

- consult parliament, public sector entities and integrity agencies, and other relevant stakeholders, including peak bodies
- scan the environment to identify key risks and challenges to public administration, internationally, nationally, and at state and local government levels
- closely monitor agencies' operations to identify opportunities for improved performance
- monitor referrals we receive from the public, government, media, and the public sector.

Our sector directors lead this intelligence gathering, as they interact with our audit clients and other stakeholders and maintain a deep understanding of the sector in which they operate.

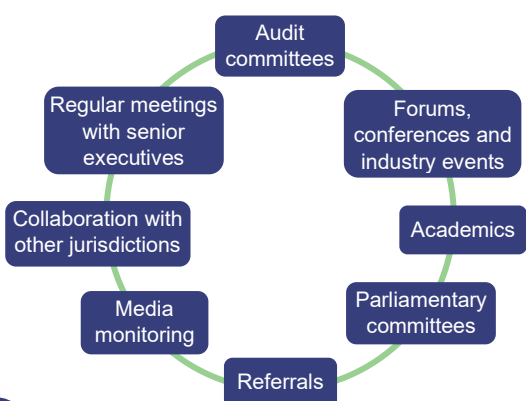
Each year, we use our ongoing intelligence gathering to shape audit themes and priorities into potential performance audit topics. To determine what is important, we then assess changes to government priorities, reviews, or any general factors that may influence suitability or timing.

We identify the factors that contribute to these changes through close analysis of any developments, considering the impact of:

- cross-sector themes
- significant challenges
- new risks/opportunities
- legislative reform and public inquiries
- national and international events that affect Queensland.

The outcome of our intelligence gathering efforts directs our focus and informs our development of the strategic audit plan (SAP).

Figure 2
Sources for intelligence gathering



Deciding what to audit

Our internal SAP process starts when an idea is raised and follows a series of stages, divided by gates or touchpoints. At each gate, the sector director and SAP coordinator ultimately decide if they will:

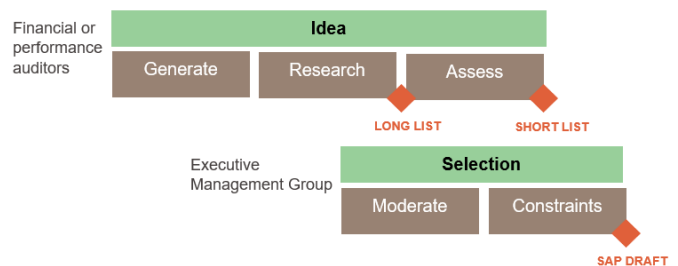
- progress the topic through to the next stage
- move the topic back to an earlier stage
- retain the topic where it is
- cancel the topic.

If the topic progresses through all stages, the sector director and SAP Coordinator recommend its inclusion in the draft SAP.

We apply a structured and rigorous process to assessing topics. Once a topic idea is raised and accepted by the sector director and SAP coordinator, an auditor will be allocated to research the topic in more detail. The results of their research will inform whether we decide to progress the topic through each stage.

Figure 3 demonstrates the overarching process we use.

Figure 3
QAO strategic audit plan workflow



Assessment against our business drivers

It is critical that we assess each proposed performance audit topic and its relative merits in a consistent way. We focus on selecting topics that will contribute to better public services. To achieve this, we assess each topic against our business drivers, which span four main elements:

- relevance to our main stakeholder groups—parliament, the current government, and the public sector
- significance of the issue—financial, economic, social, and environmental
- QAO contribution—our ability to provide assurance and valuable insights to contribute to improving public sector performance
- priority and timing—consideration of time-critical events and competing priorities.



These criteria provide a structured and disciplined approach for us to compare and contrast what can be disparate topics across the entire public spectrum.

We use the assessment results to inform our executive team as part of its deliberations in choosing audits for the SAP. Some of the other relevant considerations in the deliberative process include:

- the coverage of audit types across our performance audit mandate—economy, efficiency, effectiveness, and compliance audits
- the coverage across sub-sectors and by relevant parliamentary committee
- whether specific skill sets are required (and available) for particular audits, for example, whether external technical expertise may be required to assist with the audit
- the impact of current or proposed public sector reforms on proposed audits.

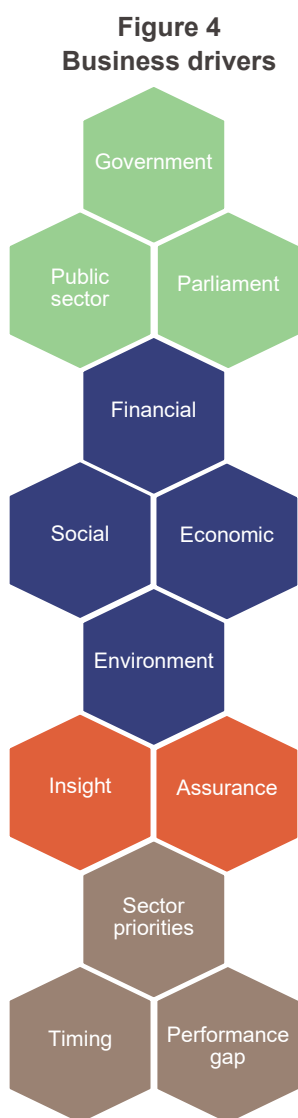


Figure 4 provides an overview of the business drivers we use in our assessment of each topic.

Each of the business drivers has its own customised five-point scale that allows us to score it from 0–4.

Communicating the plan

Once we have assessed each of the topics on its merits and ensured balance across our program, we consult with relevant agencies and parliamentary committees on our draft SAP.

This gives agencies an opportunity to provide comment on the proposed performance audit topics.

As a result of this consultation, we may refine our SAP.

The consultation process involves:

- providing stakeholders, such as public sector agencies, ministers, and parliamentary committees, with the draft SAP for comment
- refining and incorporating changes based on feedback from these stakeholders
- formally issuing the proposed SAP to the parliamentary Economic and Governance Committee for comment for 42 days, and incorporating suggested changes that we accept.

We publish our final SAP on our website before 30 June each year, as required under the *Auditor-General Act 2009*.

Our consultation process supports the main objective of our approach: an intelligence-led and evidence-driven process. This means that we focus on what is actually happening in the Queensland public sector rather than what we think is happening. It underpins our vision of *better public services*, as we are identifying topics that are likely to have greater impact on, and positive outcomes for, Queensland public sector agencies and the wider community.

We continue to refine our strategic audit planning process by engaging with our stakeholders at regular intervals throughout the year and designing ways to streamline the flow of intelligence gathered through our engagements.

Changes to the program

Each year, we identify performance audit topics we intend to conduct for each of the following three financial years. While we expect to deliver the topics we commit to in our SAP, we may reconsider or refine topics for a range of reasons, including:

- the introduction of new legislation, or new policy or program initiatives
- changes in the proposed timing or delivery of government services/programs
- machinery-of-government changes or agency restructures
- a government program or service becoming redundant.

We may also undertake a performance audit into a matter that was not planned but has been referred to us for consideration. Under our mandate, anyone with information or concerns about financial mismanagement in the Queensland public sector can refer these concerns to us. We assess the provided information and, if appropriate, investigate the referral. Our investigations may lead us to determine that a performance audit of the matter is warranted.

From year to year, other changes to our plan may also include the:

- addition of a new topic
- removal of an existing topic
- refocus or refinement of a topic and its audit objective
- rescheduling of an existing topic to another year.

Contact details

Queries regarding our strategic audit plan can be directed to our SAP Coordinator, sector directors or any QAO staff.

Our SAP Coordinator's contact details are:

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