

Performance audit

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 consider whether public money has been well used and whether government is meeting Queensland taxpayers' expectations of service quality.

We focus our performance audit program on where we can provide the most value. We select audit topics that recognise the key issues or challenges facing state and local government service delivery. We continually scan the environment that the Queensland Government operates in, and consult widely with entities, parliament, and other stakeholders. We also welcome audit topic suggestions from the public. Further information can be found in our strategic audit planning fact sheet.

Our performance audit work is different from internal audit and we do not conduct gateway reviews for central agencies. When developing our audit criteria and conducting our research, we consider our clients' views. The audit criteria is used to perform the audit and develop our findings and recommendations.

We suggest better ways of delivering public services through our audit recommendations and across our audit engagements. We aim to share the insights and learnings we gather from our wide-reaching audit work with all our clients and stakeholders.

With the gravity of our role comes the need for the highest levels of integrity. Our auditors operate with objectivity and transparency. Our independence and our passion for improving Queensland public services are fundamental to our audit work.

Section 37A of our legislation, the *Auditor-General Act 2009* (the Act), governs QAO's performance audits.

Our audit method



Planning

The audit team researches the audit topic and develops a draft audit objective and scope. We formally notify the entity's chief executive about the audit and provide them with the audit strategy, including its objective, scope, and audit criteria.



Conduct

The audit team collects evidence through enquiries, review of documents, and detailed audit testing. We discuss findings throughout the audit with the entity and formally write to the entity's chief executive at the conclusion of the conduct phase to confirm audit facts and findings. We seek entity feedback on audit findings and discuss proposed recommendations.



Reporting

We draft our report to parliament. We give the entity the opportunity to provide feedback and comment before we table the report, with final entity comments, in parliament. We also provide the proposed report to the Premier and relevant ministers.

Fact sheet

Preparing for a performance audit

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

- make sure they understand the objectives, scope, focus and timing of the performance audit—these are outlined in our strategic audit plan (published annually at www.qao.qld.gov.au/audit-program) and the impacted entity's audit strategy
- 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 in the audit will be available in 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

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

An 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.

In addition to our audit strategy issued at the beginning of an audit, we provide regular updates to the audited entity and key stakeholders throughout the conduct and reporting phases.

Each performance audit makes recommendations on how to improve the service that we have audited. Our findings and recommendations often include insights on best practice. By accepting our recommendations, the entity involved agrees to resolve the gaps in performance we identify and implement improvement opportunities.

We issue a proposed report prior to completion of the performance audit and entities have 21 days to provide a written response, which we include in the report we table in parliament. We may also issue a preliminary report prior to the proposed to make sure we have included relevant context and have a balanced report.

Access and confidentiality

Our Act provides us with full access to any documents and information necessary to conduct a valuable, efficient, and effective audit.

If required, the Act also provides us with the ability to compel testimony and require 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 a proposed report or related audit documents.

After the performance audit

Parliament

Once tabled in parliament, each of our performance audit reports is referred to a 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.

Follow up

We write to entities within two years of tabling each of our reports and ask for an update on their progress fulfilling our recommendations.

Depending on this advice, we may schedule a follow-up audit on the topic and publicly report the results of this.



Feedback

Feedback from our audit clients is important to us. Following a performance audit, an independent research provider sends a survey to the audited entity. We are interested in our clients' views on the audit process, our engagement and the parliamentary report. We use the results to identify areas for improvement, and to report on our own performance.

Other performance outputs

Our wide experience in auditing government service delivery means that QAO is uniquely placed to identify key issues and risks facing public sector and local government service delivery. We do this in performance audits as well as other outputs including topic overviews, information briefs and Auditor-General's insights.

Our suite of performance outputs allows us to hold government to account for service delivery, shed light on complex and emerging topics, and set out recurring issues and risks that government needs to better manage.





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