

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 seamlessly as one organisation. Our financial audit engagements deliver our audit opinions on the accuracy and reliability of entities' financial statements. Our performance audit engagements examine government programs to consider if public money is being used well and that government is meeting taxpayers' expectations around service delivery.

When selecting the topics for our performance audit engagements, we focus on where we can provide the most value. We select topics that recognise key issues or challenges facing state and local governments. We continually scan the environment that entities operate in; consulting widely with them, with parliament, and with our other stakeholders.

QAO welcomes and considers requests for audits and audit topic suggestions from elected members, our clients and stakeholders, and the public. Further information on how we select topics, how you can request an audit, and how we respond to requests is available on our [website](#).

We share the insights we gather from our audit work directly to our clients at the entity level and across government so all entities and stakeholders can apply our learnings. We suggest better ways of delivering public services through our audit recommendations and our enduring audit engagements.

We conduct all our work under the *Auditor-General Act 2009* (the Act). Our work complies with the *Auditor-General Auditing Standards* and Australian standards relevant to assurance engagements. The level of assurance we provide varies pending the audit scope, results of our audit work, and data availability and quality. We can conduct performance audits of all entities, however for Government Owned Corporations, we conduct a variation called a performance management systems audit (s.38 the Act).

We consider our clients' views and any information we receive from parliament when developing the scope and criterion for performing the audit, and when we prepare our findings 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 researches the audit topic and develops a draft audit scope and methods. We formally notify the entity's chief executive about the audit and provide them with the audit strategy.



Conduct

The audit team collects information and evidence through enquiries, document reviews, data analysis, and audit testing. We discuss findings and/or insights and recommendations with the entity during the audit, and formally write to the entity's chief executive at the conclusion of the conduct phase to confirm facts and findings.



Reporting

We draft our report to parliament, giving the entity the opportunity to provide feedback before we table it in parliament. We also provide the proposed report to the Premier and relevant ministers.

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 (published annually at 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. We write formally to the entity's chief executive on conclusion of the conduct phase informing them of all significant findings.

Once we have briefed the entity, we communicate significant findings to the entity's audit committee. We expect that audit committees will monitor entities' implementation of our recommendations and hold those charged with governance to account for performance improvement.

Our recommendations and insights

Most of 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.

We may also include other advice, actions, tips, or examples of best practice in our reports and throughout our audits for entities to consider.

Reporting to parliament

We issue a proposed 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 a preliminary report prior to the proposed to make sure we have included relevant context and have a balanced report.

We report to parliament via a range of publications that cater for the depth and level of assurance our audit provides, and the types of insights we are delivering.

Our performance audit reports cover our evaluation of the efficiency, effectiveness, and economy of public service delivery. These reports may also take the form of:

- Audit Insights which provide some evaluation and share our insights or learnings from our audit work across government. We highlight the risks and issues that we believe government needs to manage now and in the future.
- Audit Briefs which set out key facts, involve some evaluation, and may include findings and recommendations where relevant. QAO regularly reviews large amounts of data and these reports share more of our work.
- Audit Overviews which help clients and stakeholders understand complex issues and subjects. They set out key facts, identify underlying assumptions, and summarise information that may otherwise be difficult to understand.



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

We contact entities after a report has tabled asking them 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 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.





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