

# Report on a page

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We are the Queensland Parliament’s independent auditor for the public sector and local government entities, accountable to the parliament and the wider community. Our financial audits deliver opinions on the accuracy and reliability of entities’ financial statements. We also deliver performance audits, which examine whether public money is being used well and government is meeting the community’s expectations for service delivery.

This transparency report covers our audit quality program for the year ended 30 June 2023. Its content is guided by the *Corporations Act 2001*. The report explains our quality program and results, shows how we seek to improve our audit and assurance practices, and describes our system of quality management.

## Our quality results and what we learnt

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Our audit quality program monitors all financial audits, performance audits, and assurance reviews. The results support our conclusion that our system of quality management is functioning effectively.

### Our 2022–23 quality program



Each year, we review one audit from each of our engagement leaders (senior staff responsible for the audits) and a selection of partners from our ASPs. Our reviewers are experienced auditors who are independent from the audit being reviewed.



We undertook 27 closed file (post-audit) and 15 open file quality reviews. We also reviewed 9 of our ASPs’ systems of quality management.



89 per cent of closed file reviews (24 of 27 files) had satisfactory results, with 2 files not meeting expected quality standards and one where we were unable to conclude.

In our open file reviews of financial audits, 29 out of 34 targeted performance measures were met by a majority of files.

We assessed that the ASP firms we reviewed have satisfactory systems of quality management in place.



We work with our audit teams to identify and address the root causes of any significant negative findings from our quality program. This includes targeted training for individuals or relevant levels, changing staff composition on an audit, improving audit guidance, and sharing quality results with audit teams to address common themes.

Our quality reviews informed us that, while we have improved from the prior year, we can still improve in the following areas:

- assigning appropriate inherent risk ratings to audit assertions to ensure we develop or align an appropriate audit response
- ensuring we perform tests of controls and tests of detail in accordance with our methodology
- appropriately testing significant judgements and assumptions in high-risk balances
- mentoring less experienced staff and reviewing their work in a timely manner.

## Our quality frameworks

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Our internal systems of quality management were maintained in 2022–23, having embedded practices after we implemented the new Australian quality standards on 15 December 2022.

We continue to improve our training, on-the-job learning frameworks, methodology, and guidance. We value skills and capability, and promote them with strong leadership and clear frameworks. While engagement leaders are responsible for quality on their audits, all our staff play a role in ensuring audit quality remains high. Our Quality Management Group, and the independent members of our Audit and Risk Management Committee and Audit Quality Sub-Committee, provide support and oversight.

