



AUDITING STANDARDS

Auditor-General Auditing Standards

September 2026

The Honourable P Weir MP
Speaker of the Legislative Assembly
Parliament House
BRISBANE QLD 4000

2 April 2025

This report is prepared under section 58 of the *Auditor-General Act 2009* (Auditor-General Act). These updated Auditor-General Auditing Standards replace the previous standards dated February 2023.

In updating the standards, I have clarified the public sector audit objectives that have been developed and applied over the 165-year history of the Auditor-General of Queensland. They represent the additional areas specific to the public sector that Auditors-General consider in their audits. Providing clarity and transparency of our work in my standards supports maintaining trust in the system of government and the public sector.

Other updates to the standards include:

- recognising the mandate for the Auditor-General to audit public sector trusts under s.34A of the Auditor-General Act
- requiring the standards to be reviewed annually as recommended by the 2023 strategic review of the Queensland Audit Office
- recognising future requirements for auditing climate-related financial disclosures.

We will continue to conduct audits in accordance with the requirements of standards issued by the Australian Auditing and Assurance Standards Board (AUASB) to the extent these are not inconsistent with the requirements of the Auditor-General Act or other applicable legislation.

In accordance with the Act, would you please arrange for the report to be tabled in the Legislative Assembly.



Rachel Vagg
Auditor-General

This version of the *Auditor-General Auditing Standards* was amended to include minor changes to the version tabled in parliament on 2 April 2025.

These minor amendments reflect changes made to update terminology and clarify the requirements for contract auditors providing non-assurance services to the Queensland Audit Office's audit clients. They do not amend the general standards to be applied in conducting audits.

As these changes are not considered significant, the updated standards do not require tabling in the Legislative Assembly pursuant to s. 58 of the *Auditor-General Act 2009*. The standards were approved by the Auditor-General on 24 September 2026 and apply from that date.

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Preface

The Auditor-General is parliament's independent auditor and is supported by the Queensland Audit Office (QAO). The *Auditor-General Act 2009* (the Auditor-General Act) outlines the mandate, establishes independence, and sets out the powers and responsibilities of the Auditor-General and the Queensland Audit Office (QAO).

The Auditor-General's principal role is to provide independent assurance to parliament on the financial management and performance of public sector entities. They conduct audits of all public sector entities each financial year to achieve this. In this document, the term *public sector entity* refers to state entities, local governments, and the entities they both control.

The Auditor-General Act identifies that the Auditor-General may conduct an audit in the way the Auditor-General considers appropriate. In deciding the appropriate way to conduct an audit, they may have regard to recognised standards and practices. However, the Auditor-General is not limited to considering the matters addressed in those standards when conducting audits.

Section 58 of the Auditor-General Act requires the Auditor-General to prepare a report to parliament setting out:

- the general standards to be applied in conducting audits
- the extent to which the general standards are in accordance with auditing standards made by relevant professional or statutory bodies.

These standards address how QAO applies the following in conducting audits:

- standards made by relevant professional or statutory bodies
- broader public sector auditing standards and practices that have been developed over a long period and which are fundamental to the Auditor-General discharging their responsibilities to parliament.

The standards were developed to reflect the following fundamental principles of public sector auditing:

- the primary responsibility for auditing public sector entities in Queensland is vested in the Auditor-General under the Auditor-General Act
- the Auditor-General is not subject to direction by any person about the way in which their audit powers are to be exercised and the priority of audit matters
- providing assurance to parliament that the financial and performance information conveyed to it by public sector entities is fair, reasonable, and complete
- providing assurance to parliament that there is appropriate stewardship of public sector entities and the public resources for which they are responsible
- making appropriate recommendations for enhancing the accountability of public sector entities
- reporting to parliament observations and insights arising from audits, which the Auditor-General considers should be brought to parliament's attention.



QAO applies these principles through conducting audits under the Auditor-General Act, including:

- auditing the annual financial statements of every public sector entity
- auditing the accuracy of calculations local governments make in their annual financial sustainability statements
- evaluating whether departments, statutory bodies, and local governments comply with prescribed requirements for establishing and keeping accounts in all material respects
- auditing the consolidated fund accounts and consolidated whole-of-government financial statements
- auditing the expenditure of ministerial offices
- assessing whether public sector entities are achieving their objectives efficiently, effectively, and economically, and making recommendations on how they can better achieve their objectives
- auditing matters related to the appropriate use of property public sector entities give to non-public sector entities (known as follow-the-dollar provisions)
- investigating matters that parliament, elected members, other integrity offices, and the public raise about financial waste and mismanagement related to public resources and services
- sharing the insights we gain from our work on best practice across the public sector
- reporting to parliament on the results of our audits, including key observations and recommendations for enhancing accountability.

The Auditor-General has prepared these standards pursuant to s. 58 of the *Auditor-General Act 2009* and they replace those tabled in parliament on 2 April 2025. Changes to this version are minor and therefore do not require tabling in the Legislative Assembly. They apply to all authorised auditors as defined in the Auditor-General Act.



Auditor-General Auditing Standards

Application of Auditor-General Auditing Standards

The *Auditor-General Act 2009* (Auditor-General Act) allows for the Auditor-General to conduct an audit in the way the Auditor-General considers most appropriate. These *Auditor-General Auditing Standards* guide the scope of our audit activities and the way we report.

These standards apply to all audits conducted by, or on behalf of, the Auditor-General. They are the minimum standards to be applied in discharging the Auditor-General's mandate under the Auditor-General Act.

The Auditor-General must report to the Legislative Assembly about any occasion of significance where these standards are not applied.

The Auditor-General has a wide mandate to conduct audits. In this document, the term *audit* includes all types of independent assessments (including financial audits and performance audits, and review and assurance engagements as defined by Australian auditing standards), and any investigations of matters related to stewardship of public sector entities.

Scope of these standards

These standards set out the general requirements to be applied to:

- the conduct of audits, including reviews, performance audits and other assurance engagements, and investigations of matters related to stewardship of public sector entities
- the selection, engagement, and quality control of the work of contract auditors and their firms
- deciding whether an entity is exempt from audit by the Auditor-General.

The standards identify the extent to which auditing standards made by relevant professional or statutory bodies are to be applied in conducting audits of public sector entities under the Auditor-General Act.

Operative date and review

These standards apply from the date they are tabled in Queensland's Legislative Assembly and replace those previously tabled.

QAO will review these standards annually, or when there is a significant change – including changes to legislation and professional auditing standards. If the review results in a significant change to these standards, we will provide an updated version of the standards to the Speaker for tabling in the Legislative Assembly.

Minor changes to these standards do not require tabling in the Legislative Assembly. We will publish these on QAO's website and they will apply from the date of publication. The Auditor-General will write to the parliamentary committee advising it of the changes and why we do not consider them to be significant.



The conduct of audits

All audits are to be conducted:

- in accordance with the Auditor-General Act and these standards
- in a way that addresses the public sector auditing requirements outlined in these standards, which are fundamental to the Auditor-General discharging their responsibilities to parliament
- in accordance with the requirements of standards the Australian Auditing and Assurance Standards Board (AUASB) issues and other legislation applying to audits, to the extent these are not inconsistent with the requirements of the Auditor-General Act.

The Auditor-General may conduct audits under the Auditor-General Act that do not directly apply all, or any, elements of the standards that professional or statutory bodies issue. The type of reporting associated with these audits will be at the Auditor-General's discretion.

The Auditor-General must report to parliament about any occasion of significance where the Auditor-General Auditing Standards are not applied.

Authorised auditors are to:

- adhere to the highest standards of ethical behaviour
- demonstrate professional behaviour
- ensure they do not compromise the independence of the Auditor-General.

The selection, engagement, and quality control of the work of contract auditors

The Auditor-General can appoint an appropriately qualified and experienced individual who is not an employee of QAO to be a contract auditor. This can include both contracting-in resources to assist with an audit a QAO team conducts or contracting-out audit work to be conducted on-behalf of the Auditor-General. The contracting-in of audit resources is managed through QAO's approved recruitment policies and procedures.

When selecting audit work that contract auditors will perform, the Auditor-General will:

- consider audit risk and whole-of-government reporting requirements
- maintain an appropriate balance between the level of contracted-out work and the work QAO staff perform
- apply Queensland Government procurement policies and achieve value-for-money procurement
- consider matching regional audits with regional contract auditors where appropriate
- consider using co-sourcing arrangements to achieve the appropriate team mix, build skills within in-house and audit service provider teams, and meet resourcing needs.

When appointing contract auditors, the Auditor-General requires they:

- have an appropriate level of skills, knowledge, and experience to undertake audits of public sector entities
- maintain an appropriate audit methodology
- maintain appropriate systems of quality management in accordance with relevant professional requirements
- have appropriate information systems, processes, and controls in place to protect audit information and comply with applicable QAO and Queensland Government legislation, policies, and guidelines.

Audit exemption – deciding whether an audit is small and low-risk

The Auditor-General Act gives the Auditor-General the discretion to exempt public sector entities from being audited by the Auditor-General if they are small *and* low-risk.

For a public sector entity to be *small in size*, the consolidated revenue for the financial year being audited should be less than \$3,000,000.

In assessing audit *risk*, the Auditor-General will consider the:

- financial performance and financial position of the entity
- nature of the entity and its operations
- results of audits previously conducted of the entity.

Application and other explanatory material

The standards are to be read in conjunction with the guidance provided in the next section: *Application and other explanatory material*.

Appropriate audit methodologies, toolsets, policies, and guidance authorised by the Auditor-General support these standards.



Application and other explanatory material

Application of standards issued by professional and statutory bodies

The *Auditor-General Act 2009* (Auditor-General Act) identifies that the Auditor-General may have regard to recognised standards and practices when deciding the appropriate way to conduct an audit. Standards issued by the Australian Auditing and Assurance Standards Board (AUASB) set out the principles and essential procedures to be applied to all assurance audits.

The AUASB standards include guidance material that helps auditors exercise professional judgement. The application of these standards enhances audit quality. AUASB standards are legally enforceable for audits conducted under the *Corporations Act 2001* (Corporations Act). In performing an audit under the Corporations Act, the Auditor-General must ensure compliance with the standards. While not legally enforceable, we also apply the AUASB standards to all audits not conducted under the Corporations Act, unless they are inconsistent with the requirements of the Auditor-General Act. Our audit methodologies are designed to support compliance with these standards and require auditors to identify and document where the standards have not been complied with.

The Accounting Professional and Ethical Standards Board (APESB) is an independent body that sets the code of ethics and professional standards for compliance by audit professionals who are members of CPA Australia, Chartered Accountants Australia and New Zealand (CA ANZ), or the Institute of Public Accountants (IPA). The Auditor-General has established and will maintain a culture and a system of quality management that ensures compliance with these standards. This includes the application of Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*.

QAO adopts standards issued by the AUASB for all public sector audits to the extent that they are not inconsistent with the requirements of the Auditor-General Act and other legislation that prescribes the Auditor-General's work.

The standards issued by these professional and statutory bodies represent the minimum standards to be applied in conducting audits under the Auditor-General Act.

All audits conducted under the Auditor-General Act are also required to comply with the standards applying to audits of public sector entities outlined in the following sections.

Standards applying to audits of public sector entities under the Auditor-General Act

The Auditor-General's mandate for auditing of Queensland public sector entities is derived from the Auditor-General Act. The Auditor-General Act establishes:

- the Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way audit powers are to be exercised
- the legal basis for the Auditor-General accessing audit evidence.

As the Auditor-General has discretion for determining the appropriate way to conduct an audit, they are not limited to considering the requirements of standards professional bodies issue or the Corporations Act. In conducting audits under the Auditor-General Act, the Auditor-General may do anything else the Auditor-General considers appropriate for discharging their mandate.

The Auditor-General can report directly to parliament on any audit matter the Auditor-General considers should be brought to its attention. The Auditor-General has discretion over the form and content of reports to parliament. This independence is a cornerstone of public sector auditing.

The legislative basis for the specific types of audits that are required under the Auditor-General Act is included in [Appendix B](#) to these standards.

This section identifies the types of additional matters that the Auditor-General may consider in auditing public sector entities.

Public sector audit objectives

Public sector officers have an important stewardship role in exercising their powers and using public resources. Senior executives in public sector entities assume a public trust and confidence by virtue of their role in public administration. This differs from obligations placed upon their private sector counterparts.

Governance arrangements for public sector entities should be designed to ensure that they achieve reasonable value for money through the efficient, effective, and economical delivery of their service.

In auditing public sector entities, the Auditor-General seeks to provide assurance to parliament that there is appropriate stewardship over public sector entities and the management of public resources. This includes, but is not limited to, assessing:

- the ethical decision making of senior executives and other public officials and management of public sector entities
- the transparency and public defensibility of key decisions and transactions
- whether public sector entities are appropriately accountable to parliament and key stakeholders for their performance and use of public resources
- whether public sector entities are achieving value for money through their significant procurement activities and investment in major projects
- whether appropriate systems of internal control are established and maintained, including systems designed to protect access to sensitive information and prevent its misuse
- acts or omissions that result in waste or misuse of public resources
- compliance with relevant legislation, regulations, and government policies.

These aspects of public sector auditing are also referred to as addressing audit objectives of probity, propriety, and compliance.

These requirements recognise that the Auditor-General forms part of the integrity framework that applies to the system of government in Queensland. Appropriate exercise of the Auditor-General's full mandate is important to provide confidence in the system of government in Queensland.

We address these public sector audit objectives through the conduct of financial audits, performance audits, other assurance engagements, or investigations into a specific matter of financial administration of one or more public sector entities.

Audits of public sector entities

The Auditor-General is required to audit each public sector entity every financial year. The Auditor-General Act defines public sector entities as:

- departments
- local governments
- statutory bodies
- government owned corporations
- controlled and jointly controlled entities.



Section 34A of the Auditor-General Act also requires the Auditor-General to audit trusts that are controlled by one or more public sector entities. This section was included in the Auditor-General Act to clarify how the concept of control is to be applied to public sector trusts. It does not otherwise expand on the Auditor-General's mandate for auditing public sector entities.

Financial statement audits

The Auditor-General must audit the annual financial statements of all public sector entities and issue independent auditor's reports on those statements.

The primary objective of these audits is to provide independent reasonable assurance to parliament and the community that the information contained in the financial statements is in all material respects:

- free of misstatement, whether due to fraud or error
- presented fairly in accordance with applicable accounting standards and legislative requirements.

In conducting all audits of financial statements, we apply the mandatory requirements of applicable Australian auditing standards.

In accordance with s. 40 of the Auditor-General Act, we also consider whether departments, statutory bodies, and local governments have, in all material respects, complied with prescribed requirements relating to establishing and keeping accounts.

For local governments, we also issue reasonable assurance opinions on whether a council has accurately calculated its financial sustainability statement.

Application of Auditing Standard ASA 701 *Communicating Key Audit Matters in the Independent Auditor's Report*

The purpose of Auditing Standard ASA 701 is to mandate the communication of key audit matters in the auditor's report of listed entities. The standard defines key audit matters as 'those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial report'.

The standard does not have mandatory application to audits of public sector entities. The Auditor-General has elected to apply ASA 701 to the audits of certain public sector entities. In doing so, the Auditor-General has established an appropriate framework for identifying the public sector entities, including local governments, to which the standard will be applied.

The framework uses the following criteria to guide the identification of the public sector entity audits to which ASA 701 will be applied:

- large and complex entities that require significant audit effort and professional judgement
- entities where highly significant matters arose during the audit and an understanding of those matters is of importance to users of the financial report
- entities that are material to the whole-of-government or are considered significant local governments.

Audits where no financial statements are prepared

Not all public sector entities are required to prepare annual financial statements. An annual audit of the public sector entity is, however, still required by s. 30 of the Auditor-General Act. In these circumstances, the audit involves examining financial systems and transactions, reviewing other records such as minutes, and evaluating compliance with applicable legislation. Where issues are identified, they are reported to management.

Other financial assurance activities

Where legislation requires, or clients request it, and it is appropriate and efficient for us to do so, we provide reasonable assurance opinions and certifications over grant funding provided to public sector entities. The Auditor-General determines the format of the assurance opinion issued on these funding requirements after considering relevant factors including professional standards, legislative requirements, and funding agreements. This may include issuing the assurance opinion in the format the grantor requires.

The Auditor-General may also agree to provide other assurance services that are incidental to auditing annual financial statements. This includes, but is not limited to, providing independent auditor's reports on regulatory statements and controls at service organisations.

While these activities are within the Auditor-General's mandate, they are performed at the discretion of the Auditor-General and only if deemed in the public interest, unless required by legislation. The following factors are considered in making this assessment:

- the extent to which the information to be audited is directly related to other work QAO performs as part of its annual audit of the public sector entity
- the complexity of the work to be performed and whether QAO has the capacity and capability available to complete the required audit in the required time frame
- potential users of the information.

Where audit standards require, or if appropriate for the audit type, we issue separate audit engagement letters setting out audit scope, responsibilities, and reporting requirements for these assurance activities.

Climate-related financial disclosures

For reporting periods beginning on, or after, 1 January 2025, some public sector entities are required to prepare climate-related financial disclosures in accordance with the Australian Accounting Standard Board's (AASB) Australian sustainability reporting standard S2 *Climate-related Disclosures*.

As the auditor of all public sector entities, QAO audits the climate-related financial disclosures, where they are required to be prepared. QAO audits the disclosures as part of the annual audits of the relevant entities. We perform these audits using a methodology developed to comply with applicable reporting, auditing, and legislative requirements issued by relevant government entities. These requirements include AUASB standards ASSA 5000 *General Requirements for Sustainability Assurance Engagements* and ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*.

Performance audits

The Auditor-General's mandate includes auditing and reporting on the performance of public sector entities. These audits extend beyond an assessment of the financial activities of a public sector entity and may include:

- determining whether the objectives of a public sector entity are being achieved economically, efficiently, and/or effectively, and in compliance with all relevant laws
- assessing whether value for money is being achieved in the delivery of public services and programs
- reviewing performance measures public sector entities have adopted and assessing whether they are relevant and fairly represent entity performance
- assessing compliance with relevant Acts, regulations, government policies, and other prescribed requirements
- identifying any opportunities for the public sector entity to achieve its objectives more economically, efficiently, and effectively.

Performance audits may also address other objectives identified in relevant assurance standards issued by the AUASB including matters relating to ethics, equity, probity, and sustainability.

These audits provide parliament and the community with independent assurance over whether public sector entities are achieving the government's objectives in delivering their services. By reviewing our reports to parliament, the community can assess whether entities are delivering government services in a manner that meets their expectations.

The level of audit assurance we provide through a performance audit varies depending on the audit scope, the results of our audit work, and the availability and quality of data.



Performance audits are guided by the AUASB standards on assurance engagements – ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, and either ASAE 3500 *Performance Engagements* or ASAE 3100 *Compliance Engagements*. The Auditor-General maintains a methodology based on the requirements of these standards.

The Auditor-General Act requires the Auditor-General to prepare a plan identifying the performance audits they propose to conduct in the next 3 years (our forward work plan). The Auditor-General has established a robust methodology for identifying, assessing, and selecting potential performance audit topics. This includes consultation with key stakeholders on the scope and timing of proposed topics. Further information on how we select and manage our performance audit program is explained in our forward work plan and forward work plan fact sheet. They are available on our website at www.qao.qld.gov.au/audit-program.

Audit investigations

Anyone with information or concerns about financial mismanagement in Queensland public sector entities can refer matters to the Auditor-General to consider. The QAO will assess the information provided and, if appropriate, investigate the issue with the aim of strengthening and improving public sector performance and accountability.

We assess these matters in accordance with the following guidelines:

- whether the matter is within the scope of the Auditor-General Act
- whether another entity should investigate the matter
- the level of public interest and the significance of the matter raised
- the sufficiency, source, and nature of the evidence provided
- whether the matter is raised in good faith or appears to be vexatious.

Where a matter meets the above requirements, it may be investigated as part of our annual audit of a public sector entity or used to identify a potential topic for a future performance audit.

We publish summaries of the requests we receive from members of parliament (MPs) and Queensland councillors on our website. Due to the confidentiality requirements of the Auditor-General Act we do not report our findings back to the individuals who requested the investigation.

In finalising the investigation, we may report our findings and any recommendations to management of the relevant public sector entities. Where the findings are significant, the Auditor-General may also include them in a report to parliament. We will report matters identified that give rise to a reasonable suspicion of corrupt conduct to the Crime and Corruption Commission as required by the *Crime and Corruption Act 2001*.

Joint or collaborative audits

The Auditor-General Act permits the Auditor-General to conduct an audit jointly or collaboratively with an Auditor-General of another Australian jurisdiction.

QAO will only conduct joint or collaborative audits if the Auditor-General is satisfied that sharing information with another audit office will provide greater value than conducting the audit on our own, and there are reciprocal arrangements available in the other audit office. The objective of a joint or collaborative audit is to provide enhanced efficiency and consistency in auditing and reporting on areas of common interest.

The exact nature and scope of the audit to be conducted is at the discretion of each Auditor-General.

Such audits may be undertaken only where a common understanding is reached between the auditors-general of the relevant jurisdictions in relation to the:

- nature and scope of the audit to be conducted by each Auditor-General
- reporting of results and sharing information in relation to the audit.

Advice and assistance to parliament and public sector entities

QAO's public sector knowledge and experience allows us to provide insights to key stakeholders on a wide range of issues related to public sector financial management and accountability, accounting standards, and other legislative requirements. We provide expert advice and insights where it does not impact on the actual or perceived independence of the Auditor-General.

The Auditor-General and the QAO is also able to advise and assist parliamentary portfolio committees. This can include:

- briefing a portfolio committee on the findings, opinions, and observations contained in an audit report or a draft report
- providing evidence at a public hearing, in relation to a strategic review of the QAO
- providing advice to a committee in relation to draft terms of reference, lines of inquiry, and relevant questions that could be asked of witnesses for the purposes of a committee inquiry
- providing advice on a Bill that has been referred to the portfolio committee.

Assistance to committees on inquiries and Bills is limited to matters where the Auditor-General and the QAO have responsibilities, knowledge, or expertise. The Auditor-General should normally be regarded as an adviser when assisting a portfolio committee; however, in certain circumstances, the Auditor-General may be regarded as a witness. Further information on how and when assistance may be provided to committees is included in the *Standing Rules and Orders of the Legislative Assembly* – Schedule 9 – Code of Practice for Assistance to Portfolio Committees by the Auditor-General and the Queensland Audit Office available at <https://www.parliament.qld.gov.au/documents/assembly/procedures/StandingRulesAndOrders.pdf>

Conducting audits of non-public sector entities

In addition to audits of public sector entities, the Auditor-General Act also provides for the following audits of non-public sector entities:

- audits conducted at the request of the minister or public sector entity, where the Auditor-General and entity consent to the audit (by-arrangement audits)
- audits of matters relating to property that is, or was, held or received by a public sector entity and given to a non-public sector entity (follow-the-dollar audits).

The Auditor-General has discretion for deciding whether to conduct audits of this nature. In exercising their discretion, the Auditor-General will assess the public interest in conducting the audit.

Before agreeing to conduct a by-arrangement audit, the Auditor-General will also consider if it is the most efficient and effective way of meeting the objectives of the requested audit.

Follow-the-dollar audit powers may be used where required to obtain sufficient audit evidence to assess the efficient, effective, and economical delivery of public services. They are generally used in conjunction with an audit of a public sector entity and do not involve a general audit of the non-public sector entity. Before using these powers, the Auditor-General will assess whether it is the most efficient and effective way of achieving the objectives of the audit of the public sector entity.

These audits, where undertaken, are to be conducted in accordance with the requirements of the Auditor-General Act and these standards. In conducting an audit of a non-public sector entity, the Auditor-General will ensure that the nature and scope of the audit and the rights and responsibilities of parties concerned are adequately communicated to the entity that is subject to the audit. This will include communicating the Auditor-General's responsibility for reporting to parliament on the results of all audits conducted under the Auditor-General Act.

Other legislation may also include provisions identifying circumstances where the Auditor-General may be requested or required to conduct an audit of a non-public sector entity.



Standards applying to authorised auditors

The Auditor-General will recruit staff and appoint contract auditors with the necessary level of accounting and auditing expertise, or other relevant skills and experience, required to effectively discharge the responsibilities and stewardship prescribed by the Auditor-General Act.

Authorised auditors are expected to have an appropriate understanding, commensurate with their role and responsibilities, of:

- the Auditor-General Act
- these standards and Australian auditing and assurance standards
- relevant professional and ethical requirements
- approved QAO audit methodologies
- policies, guidelines, instructions, and expectations of the Auditor-General
- the public sector environment, including legislative and policy requirements.

All audit work will be carried out by authorised auditors with the appropriate technical qualifications, skills, and proficiency required for undertaking auditing tasks. Authorised auditors will give appropriate direction and supervision to subject matter experts who are not authorised auditors.

An authorised auditor will maintain an objective approach and an attitude of professional scepticism to matters relating to recognising facts, exercising judgement, and expressing of opinions. An authorised auditor will exercise due care and diligence by complying with these standards and complying with relevant policies, guidance, and instructions in relation to conducting audits in accordance with the requirements of the Auditor-General Act.

Delegation of powers and responsibilities

The Auditor-General may delegate powers under the Auditor-General Act and other legislation to authorised auditors, including contract auditors. However, the Auditor-General cannot delegate a power to report to parliament. Powers delegated by the Auditor-General are documented in an approved instrument of delegation.

Powers of access

An authorised auditor is entitled, at all reasonable times, to full and free access to all documents and property relevant to the audit. A person must not, without reasonable excuse, fail to comply with a request for information made under the Auditor-General Act. This requirement does not apply to non-public sector entities audited under follow-the-dollar provisions. Authorised auditors will exercise these powers in a reasonable and respectful way that does not impose an unrealistic burden on individuals or entities.

The Auditor-General Act provides additional powers for obtaining information and evidence related to an audit. Generally, these sections of the Act are only relied on in exceptional circumstances or when other means of seeking co-operation with an entity or person subject to audit have proven unsuccessful. Use of the powers will be subject to stringent procedural fairness requirements.

Data governance

Obtaining information for our audits

We obtain information to support our audit work. This information includes data, documents, and written and verbal representations. We identify the information we require to support our audit and agree with our clients the most efficient and effective methods to securely obtain that information. Information may be obtained by a request from the audit team or through QAO's data analytics processes.

Information obtained for the purpose of auditing a public sector entity is protected information under the Auditor-General Act. This includes information classified as 'official', 'sensitive', or 'protected' under the Queensland Government Information Security Classification Framework.

Information should only be obtained where required for an audit. The auditor should not request or accept information not required for the audit or, if unable to decline receipt, copies should be appropriately destroyed within a reasonable period.

The auditor is not to retain original documents. Suitable, relevant records are to be made of information, and original documents are to be returned to the audit client.

Maintaining and securing data

All information obtained for our audits must be held in a safe and secure manner. Information is subject to data governance and confidentiality provisions, in accordance with legislation and QAO and Queensland Government policies and guidelines. The QAO retention and disposal schedule outlines the retention period for information obtained for our audits.

Authorised auditors are bound by the confidentiality provisions contained in s. 53 of the Auditor-General Act. It is an offence for authorised auditors to divulge protected information (as defined by the Auditor-General Act) for purposes other than those the Auditor-General Act permits.

Protected information can only be shared where the Auditor-General Act permits or where other legislation requires, such as a subpoena issued under the *Commissions of Inquiry Act 1950*.

Application to contract auditors

All audit working papers prepared as part of an audit performed by a contract auditor on behalf of the Auditor-General are the property of QAO. QAO's retention and disposal requirements apply to audit working papers held by contract auditors. They are public records and cannot be destroyed or disposed of without the specific authority of the Auditor-General. For audits contracted-out by the Auditor-General, contract auditors are required to return audit files to QAO on the completion of each audit. Contract auditors, with QAO's approval, may retain a copy of the audit files to meet the retention and disposal requirements of their firm. Where copies of the audit files are retained, they can only be destroyed or disposed of with the approval of the Auditor-General.

The confidentiality requirements of the Auditor-General Act apply to contract auditors and the staff they assign to contracted audits. Protected information obtained in conducting a contracted audit can only be recorded, communicated, or otherwise used for the purpose of conducting the relevant audit on behalf of the Auditor-General. Disclosing or divulging protected information to other partners or staff in their firm not assigned to the contracted audit is strictly prohibited. The confidentiality requirements of the Auditor-General Act continue to apply to contract auditors and their staff after the completion of the contract and after they leave the firm.



Communication and reporting

Communicating to those charged with governance of audited entities

Effective, regular, and timely communication with those charged with governance is an important part of the audit process. Our financial audit and performance audit methodologies set out the engagement principles and communication that QAO will adopt throughout the audit engagement.

We hold entry meetings to clarify the audit scope and decide on communication protocols.

We share observations, recommendations, or suggestions arising from the audits with entities throughout the audit in a timely manner and seek management's feedback on these.

Depending on their significance, we may include the observations or suggestions, and any associated recommendations, in formal correspondence with those charged with governance and other relevant individuals. These communications may take the form of management letters or draft reports.

We prepare and issue these reports progressively during the audit. We expect the entity to review recommendations we make, respond to us in writing, and track its response to and implementation of the recommendations.

At the conclusion of each audit, we report to those charged with governance on the overall audit results, including any outstanding actions and recommendations.

Where our reports to those charged with governance include matters the Auditor-General considers to be significant, those matters may also be reported to relevant ministers or included in a report to parliament.

Reports to parliament

The Auditor-General Act mandates how the Auditor-General reports to parliament on our audit work. It requires the Auditor-General to prepare a report to the Legislative Assembly on each audit conducted of a public sector entity. This must be done at least annually.

The Auditor-General Act, however, gives the Auditor-General broad discretion for determining the format, timing, and content of the reports. This includes preparing interim, supplementary, and combined reports. While the Act requires certain matters to be included in the reports, the Auditor-General is ultimately able to report on any matters they consider to be significant or in the public interest.

Our reports aim to:

- report the results of the audits we conducted
- highlight risks and issues that we believe government needs to be aware of now and in the future
- set out key facts and underlying assumptions, and summarise information for parliament
- share insights and learnings from our work across public sector entities.

The Auditor-General Act contains the details of whom our reports must be given to and minimum timeframes for responses. We provide relevant extracts, drafts, and final versions of our reports to those charged with governance of the audited entity.

Impacted parties can provide feedback before we table reports in parliament. We ask our audit clients to respond to our recommendations by making clear statements about whether they agree with the recommendation, what they intend to do to address the root cause, and the timeframe they expect will be needed to implement their solution.

Definition

Those charged with governance – the team of people responsible for overseeing:

- the strategic direction of the organisation
- obligations related to the accountability of the entity.

This could be the board, or management of the entity if there is no board. For a department, this is the accountable officer under the *Financial Accountability Act 2009*.

Management – the person(s) with executive responsibility for the conduct of the entity's operations. For example, management implements the entity's strategic plan.

We issue a proposed report to impacted parties prior to the completion of the audit. Ministers have 21 days to send us a written response, unless the Auditor-General agrees to a longer time frame. We will either publish their full response with the report to parliament, or a fair summary where the response is long or overly technical. For complex topics, we may also issue a draft report to relevant public sector entities, prior to the proposed report, to make sure we have included relevant context and have produced a balanced report.

In arranging for our reports to parliament to be tabled, we adhere to the tabling protocol in [Appendix C](#).

We prepare all our reports to parliament to be objective, factual, and balanced. These reports may be on the results of our financial audits, on the results of our performance audits, or on our insights.

Reports on the results of financial audits

Our reports on the results of our financial audits identify each public sector entity:

- we audited during the year and the opinion that we expressed on their financial statements
- where we have not audited their annual financial statements or not finalised the audit of their annual financial statements
- that was granted an exemption for audit by the Auditor-General under the Auditor-General Act.

The Auditor-General Act also requires the Auditor-General to draw attention to matters of significance related to the financial management of a public sector entity. A matter of significance from a financial audit may include, but is not limited to:

- information and explanations relating to modified audit opinions
- an absence of, or breakdown in, internal controls which could lead to unnecessary risks, misappropriation, or material errors
- disregard for prescribed accounting and financial management standards
- matters about mismanagement, waste of resources, or maladministration
- problems that are systemic within a particular entity or across a broader field
- an issue of financial significance (irrespective of whether the matter has been resolved or not)
- matters about financial performance and sustainability
- a current risk or emerging risks and future challenges
- better practice or proactive innovations by public sector entities
- delays in implementing recommendations to address critical control issues, including aged internal and external audit recommendations.

These reports may also draw attention to relevant matters related to the effective and efficient financial administration of public sector entities, including systems of internal control. They may also include insights on other significant or emerging issues that the Auditor-General wishes to highlight.

Reports on the results of performance audits

We prepare separate reports for each performance audit due to the unique nature of each engagement.

These reports outline the conclusions we reach in assessing whether public sector entities have achieved their objectives economically, efficiently, and effectively. They also include any recommendations we make to enhance the delivery of public services. In reporting on the results of our performance audits, we do not comment on the relative merits of the government's policy objectives (further information on this is provided in the next section).

In preparing reports on the results of our performance audits, we also consider the reporting requirements of relevant AUASB assurance standards, including ASAE 3500 *Performance Engagements*. Our performance audit reports make explicit statements about the level of assurance we are providing through the conclusions in our reports.



Insights reports

In addition to our reports on the results of our audits, we also prepare insights reports. These may provide:

- key facts or a topic overview
- the insights we have gleaned from across our audit work
- the outcomes of an investigation we conducted following a request for audit.

This may include insights on significant transactions or projects the government is undertaking, or other matters or topics the Auditor-General believes attention should be drawn to.

Follow-up of audit recommendations

While the Auditor-General makes recommendations to enhance the performance of public sector entities and strengthen accountability, they have no authority to require a public sector entity to adopt them. Primary responsibility for accepting and implementing recommendations the Auditor-General makes rests with the executive government and entity management.

Public sector entities are ultimately accountable to parliament for the actions they take to implement recommendations the Auditor-General makes. This accountability may occur through parliamentary committees exercising their oversight responsibilities for the reports to parliament the Auditor-General tables relating to the performance of public sector entities within their portfolio.

The Auditor-General will engage with entities, executive government, and parliament to ensure matters identified are appropriately resolved in a manner that enhances the accountability and performance of entities and the public sector in general.

The Auditor-General may ask entities to self-assess their progress in implementing the recommendations made in previously tabled reports and report this to QAO. The responses we receive from entities may then be included in a report to parliament outlining the status of the previous recommendations and analysis of the responses and insights gained. We do not audit or otherwise validate the self-assessed responses we receive.

We may also use the responses we receive from entities' self-assessments to help select topics for a more detailed follow-on audit and resultant report to parliament. Our ability to conduct these follow-on audits will depend on QAO having sufficient capacity and funding available in addition to QAO's program of proposed new audits.

Public interest and reporting sensitive information

The Auditor-General Act states the procedures for reporting sensitive information to Parliament. The Auditor-General can consider reporting matters directly to parliamentary committees if it is in the public interest to do so.

Where the Auditor-General considers it would be against the public interest to disclose a matter in a report to parliament, s. 66 of the Auditor-General Act requires the matter to be included in a report to the parliamentary committee.

The Auditor-General has the power to access commercial-in-confidence information a public sector entity holds where it relates to an audit under the Auditor-General Act. Subject to the above requirements, the Auditor-General may also refer to this information in a report to parliament. Where public sector entities request that we not report commercial-in-confidence information, this will be assessed on a case-by-case basis and QAO may seek legal advice to inform how we report.

In conducting our audits, we may access Cabinet documents in accordance with protocols established under the Queensland Cabinet handbook. In preparing reports to parliament, we will ensure that we do not report information that would breach Cabinet confidentiality.

Not commenting on government policy

Section 37A(5) of the Auditor-General Act states that, when undertaking performance audits, the Auditor-General must not question the merits of policy objectives of the state or a local government. We apply the restrictions imposed by s. 37A(5) to any audit the Auditor-General conducts.

This provision serves the dual purpose of recognising that it is the prerogative of the government to determine policy while also safeguarding the independence of the Auditor-General.

Government policy is an authoritative statement of the principles that a government sets to define the outcomes or goals of planned actions. Policy objectives are the declared outcomes the government is seeking to achieve through the implementation of government policy.

The restrictions imposed by s. 37A(5) do not prevent the Auditor-General from commenting on whether:

- policies are being implemented as intended and in accordance with the law
- the information and advice provided by the public sector and used in policy development was timely, sufficient, and appropriate
- there have been unintended and/or adverse consequences arising from the pursuit of policy objectives
- there are opportunities for the public sector entity to achieve its policy objectives more economically, efficiently, and effectively.

We have published a fact sheet that further explains how we audit government policy. It is available on our website at www.qao.qld.gov.au/reports-resources/fact-sheets.

Independence and ethical standards

Maintaining the independence of the Auditor-General and QAO is fundamental to the effective discharge of the Auditor-General's mandate under the Auditor-General Act.

Authorised auditors must be objective, independent, and diligent, and must avoid any possible compromise of independence through any form of conduct that could imply or create an impression of a lack of independence. Any potential or actual conflict of interest must be advised to the Auditor-General in a timely manner.

An authorised auditor is expected to adhere to high standards of ethical behaviour, including complying with the *Public Sector Ethics Act 1994* and the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (APES 110). In addition, authorised auditors must comply with the QAO audit independence framework consisting of the *Code of Conduct for the Queensland Public Service* and other internal policies.

An authorised auditor should not accept or solicit any money, gift, or other benefit from a public sector entity or any parties associated with that entity that could affect audit independence and objectivity. Where an authorised auditor receives a gift, it must be declared, approved, and reported in accordance with policies and prescribed requirements applying to QAO.

In performing an audit, an authorised auditor should be fair and balanced in dealing with the staff of the public sector entity. An authorised auditor should, at all times, maintain a level of conduct which does not detract from the professional standing of QAO and the auditing profession generally. In this context, authorised auditors are required to observe QAO's non-discriminatory work practices and refrain from allowing workplace relationships to adversely affect the performance of official duties.

Application to contract auditors

The independence and ethical standards identified above also apply to contract auditors. This includes the individual contract auditor, the staff they assign to conduct audits on behalf of the Auditor-General, and where appropriate, their firm. Contract auditors shall have regard to the ethics principles and values identified in the *Public Sector Ethics Act 1994* when conducting audits on behalf of the Auditor-General.

Contract auditors must ensure the Auditor-General is advised of any real or perceived conflicts of interest for audits conducted on behalf of the Auditor-General.



Contract auditors must not provide any non-assurance services unless the request is approved by the Auditor-General prior to commencement. Requests for non-assurance services will only be considered for Government owned corporations (as per Schedule 1 of the Government Owned Corporations Regulation 2024) and universities. Non-assurance services cannot be provided to any other entity type.

Prohibited non-assurance services include those:

- aligned with the prohibited services applicable to public interest entities under APES 110
- related to areas included in QAO's forward work plan, or encompassing any other consideration of the Auditor-General's wider mandate for providing assurance over the stewardship of public sector entities and the public resources they are responsible for
- provided to non-audit clients that share a common control or process with the contracted audit client, such as shared service arrangements, multi-agency programs, or whole-of-government policy.

Before requesting approval to undertake non-assurance services at an audit client, contract auditors must document their own independence checks and self-assessment against the requirements in APES110.

To be considered for approval, the value of non-assurance services cannot exceed 70 per cent of the audit and assurance fees over the last 3 consecutive years, on average, or exceed 100 per cent of the audit and assurance fee in any one year.

Quality assurance

The Auditor-General has an appropriate quality assurance framework in place, aimed at ensuring the delivery of audit services is of a professionally high and consistent quality.

This framework addresses quality assurance at both the audit and firm level, and is guided by the requirements of:

- *ASQM1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance Engagements or Related Services Engagements*
- *ASA 220 Quality Control for an Audit of a Financial Report and Other Historical Financial Information*
- *APES 325 Risk Management for Firms.*

The Auditor-General approves and is responsible for an annual program of quality assurance activities. QAO's Audit and Risk Management Committee supports the quality assurance program.

The Auditor-General will appoint an engagement quality reviewer (EQR) for all complex and high-risk financial audits, performance audits, and other assurance engagements. Audits will be assessed annually to determine if they are considered complex and high-risk.

Complex and high-risk audits and assurance engagements may require the support of specialist audit staff and subject matter experts. Engagement leaders will document the requirement to engage with specialists and ensure appropriate specialist skills are allocated to audits. In-house specialist resources are maintained in the areas of technical audit and accounting matters, data analytics, treasury products, and information systems auditing.

QAO has established policies and procedures for assessing complex accounting and audit issues, including proposed modified audit opinions.

Exemptions from audit by the Auditor-General

The Auditor-General can exempt public sector entities from audit by the Auditor-General in certain circumstances. Exemptions will be granted only where, in the Auditor-General's opinion, there are no public interest reasons for the Auditor-General to conduct the audit.

The Auditor-General Act provides 2 circumstances where the Auditor-General may grant an exemption:

1. Section 30A allows an exemption from audit by the Auditor-General if the entity is small and low-risk. The criteria applied in assessing whether an audit is small and low-risk are outlined in the next section.

2. Section 32 exempts a controlled entity from audit by the Auditor-General if one or more of the following apply:
- the controlled entity is based or has significant operations in a country other than Australia
 - the audit is legally required to be undertaken under a law of a country other than Australia
 - the entity operates in cooperation with or in a corporate group with entities that are exempt
 - preparation of the audit would require specialist skills.

An audit must still be conducted by an auditor approved by the Auditor-General.

In all cases where the Auditor-General grants an exemption, the relevant public sector entities are required to:

- implement alternate audit arrangements
- inform us of those arrangements
- provide us with the auditor's independent audit report and any observations arising from the audit.

In addition, section 31 allows an exemption from audit by the Auditor-General by regulation. Before a regulation is made, the minister must consult with the Auditor-General about the proposed regulation. There is currently no regulation.

The granting of exemptions does not prevent the Auditor-General from performing any of the functions or exercising any of the powers identified in the Auditor-General Act in relation to the exempt public sector entities.

Criteria for identifying if audits of public sector entities are small in size and low-risk – Auditor-General Act s. 30A

The Auditor-General has the discretion to exempt a public sector entity from audit by the Auditor-General on the basis it is *small and low risk*. In deciding whether to grant an exemption under s. 30A, the Auditor-General may consider any factors appropriate in the circumstances. This includes any whole-of-government or public interest reasons.

The following criteria are applied in determining whether an audit of a public sector entity is small and low-risk for the purpose of s. 30A of the Auditor-General Act.

Small in size

For an audit of a public sector entity to be considered *small in size*, the consolidated revenue for the financial year under review must be, on average, less than \$3,000,000. Our policy is based on the threshold for annual reporting and audit requirements set by the Australian Charities and Not-for-profits Commission.

Low-risk

In assessing whether an entity is *low-risk*, the factors considered include, but are not limited to:

- nature of the entity, its business, and the industry in which it operates
- stability of the entity structure and its key management personnel
- complexity of the entity's financial systems and the appropriateness of internal controls, as considered relevant for the entity
- existence of an appropriate financial reporting framework and complexity of financial reporting requirements applicable to the entity
- extent and complexity of the legal and regulatory environment in which the entity operates
- extent of external interest in the entity and its operations
- financial stability of the entity, including issues impacting the entity's ability to continue as a going concern



- extent of significant issues previously identified, including matters
 - requiring modification to the independent auditor's report issued on the financial statements
 - not impacting on the independent auditor's report but requiring significant adjustments to the financial statements.

Other considerations

An exemption will only be granted where the Auditor-General is satisfied that the public sector entity has appointed an appropriately qualified auditor to undertake the audit in accordance with the requirements of s. 30A. QAO also requires the auditor to be a registered company auditor.

Other conditions imposed by the Auditor-General Act when granting an exemption include:

- the exempt period must not exceed 3 years; however, more than one notice of exemption can be given
- the public sector entity must give the Auditor-General any requested documents about the audit.

In accordance with the requirements of s. 30A, the Auditor-General may repeal an exemption by written notice given to the public sector entity. An exemption may be repealed where:

- the entity is no longer a small audit as per the criteria
- there is a significant change in the risk profile of the audit
- we identify issues with the quality of the audit performed
- it is no longer cost effective for QAO to exempt the audit

The above list is not exhaustive, and the Auditor-General may repeal an exemption for any reason the Auditor-General considers relevant. All public sector entities exempted under s. 30A are listed on the QAO website.

Contract auditors

Section 43 of the Auditor-General Act enables the Auditor-General to appoint an appropriately qualified and experienced individual who is not an employee of QAO to be a contract auditor. This can include both contracting-in resources to assist with an audit a QAO team conducts or contracting-out audit work to be conducted on-behalf of the Auditor-General.

The contracting-in of audit resources is managed through QAO's approved recruitment policies and procedures. Contracted-in resources are subject to the direction and supervision of QAO staff and are subject to the quality assurance requirements applying to audits QAO staff perform.

Contract auditors play an important role in the delivery of the Auditor-General's annual program of financial audits. QAO supports them in understanding public sector specific risks and priorities of the Auditor-General, and in developing audit responses which address the broader public sector audit objectives outlined in these standards.

The work performed by contract auditors and their staff on behalf of the Auditor-General is subject to:

- oversight by QAO signing officers and QAO contract managers
- quality assurance reviews that form part of QAO's Quality Assurance Program.

The following sections apply to the contracted-out work to be performed on behalf of the Auditor-General.

Selection of work to be contracted-out

The decision to contract-out audits or part of an audit is a strategic decision having regard to:

- QAO's ability to deliver the Auditor-General's overall mandate, including completion of annual financial audits within statutory time frames and resourcing required for QAO's forward work plan
- the optimum mix of QAO staff and contracted-out assistance

- current and emerging public sector risks
- location of the audit and availability of a regional audit service provider that is suitably qualified
- size and significance of the audit in relation to the whole-of-government or the industry sector
- balancing the need to access specialist expertise and assistance with the need to maintain relevant industry and sector knowledge within QAO
- developing and maintaining good client relationships.

QAO does not contract-out performance audits or financial audits of government departments and other integrity bodies but may contract-in specialist skills or subject matter experts to assist with these audits.

Engagement of contract auditors

Contract auditors are to be partners, directors, or principals of pre-qualified audit service providers. To pre-qualify, the individual partner and their firm must meet and maintain minimum professional standards the Auditor-General sets. These minimum standards include:

- relevant experience to enable them to conduct audits in the public sector
- current registration with relevant and appropriate regulatory bodies (such as registration with CA ANZ or CPA Australia, registration by ASIC as a registered company auditor, and holding a certificate of public practice)
- authorised by their firm to sign independent auditor's reports on their behalf
- capacity to conduct audits on behalf of the Auditor-General
- an appropriate audit methodology that will ensure audits conducted to comply with
 - the Auditor-General Act
 - public sector audit objectives as identified in these standards
 - AUASB standards
- an appropriate system of quality management at both the firm and audit level that meets the requirements of ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*
- maintaining appropriate information management systems to
 - safely secure audit work papers
 - comply with data governance and confidentiality provisions in legislation and QAO and Queensland Government policies and guidelines
 - promptly identify if protected information has been lost, compromised, or stolen
 - promptly identify where eligible data breaches have occurred under the *Information Privacy Act 2009*
 - promptly notify QAO of any breaches of s. 53 of the Auditor-General Act or other legislative requirements to maintain confidentiality
- consenting to and satisfactorily passing a Queensland Police Service criminal history check, noting that contract auditors' staff who work on QAO audits are also required to consent to and satisfactorily pass this check.

QAO maintains a register of all pre-qualified audit service providers. If contract auditors fail to maintain these minimum standards after registration, they may be taken off the pre-qualified register.



As part of the pre-qualification process, audit service providers are categorised based on an assessment of the following:

- number of audit partners in the firm
- extent of revenue the firm earns from assurance activities
- whether the firm is a national firm or part of a network/alliance
- access to technical support and other expertise or specialist knowledge.

Audits selected for contract auditors to perform are offered to pre-qualified audit service providers in accordance with approved QAO procurement policies, which comply with the Queensland Procurement Policy. A contract auditor must be rotated off the audit after a period of 7 years. The contract may rotate to another pre-qualified partner within the firm for an additional period, up to a maximum of 10 consecutive years with that firm.

Additional matters considered when engaging a person as a contract auditor include:

- actual or potential conflicts of interest
- whether the auditor and their firm is of good standing
- entity feedback on past performance
- results of quality assurance reviews over their work.

Quality control of work of contract auditors

Contract auditors have all the powers and responsibilities of an authorised auditor under the Auditor-General Act. All audit work contract auditors perform on behalf of the Auditor-General is to be undertaken in accordance with these standards. Contract auditors are not authorised to sign audit reports on behalf of the Auditor-General, unless delegated by the Auditor-General.

All audit work a contract auditor undertakes must also be performed in accordance with the terms and conditions of the contract entered with QAO.

Contract auditors are to maintain their own systems of quality management in accordance with relevant professional and ethical requirements, and ensure these systems are in use for all QAO contract audits.

QAO's Quality Assurance Framework provides for the regular review of contract auditor performance and quality assurance systems the contract audit firms have implemented. Registered contract auditors who cannot demonstrate a continuing satisfactory level of internal quality assurance or performance may have existing contracts terminated and be removed from the register of pre-qualified audit service providers.

Audit workpapers and files are to be made available to QAO staff for the purposes of undertaking quality reviews and assessing contract auditor performance in accordance with QAO policies.

Contract auditors are responsible for ensuring staff they employ comply with these standards when undertaking audit work on behalf of the Auditor-General.

Appendix A – Levels of assurance

Our audits seek to provide the following levels of audit assurance:

- reasonable assurance – where we have reduced the risk of expressing an incorrect opinion to an acceptably low level
- limited assurance – where we have reduced the risk of expressing an incorrect opinion to an acceptably low level, but where the risk is greater than in a reasonable assurance report
- no assurance – where we do not provide an opinion or conclusion on the subject matter.

Financial statement audits and other financial assurance activities

The independent auditor's reports we issue on financial audits provide reasonable assurance that the financial statements are accurate, complete, and can be relied upon.

The level of assurance provided from other financial assurance activities will depend on factors including:

- the information being audited and how it is to be presented
- the auditing or assurance standards being applied
- the intended users of the information and how the information is to be used
- the nature and scope of the audit procedures required to be performed.

The level of assurance provided will be expressed in the independent assurance report QAO issues to accompany the information management prepares.

Performance audits

Performance audits seek to provide assurance over the performance of public sector entities against specific criteria related to the audit topic. We do not issue separate independent assurance reports on performance audits. However, the Auditor-General's reports to parliament include conclusions on the results of audits and a statement on the level of assurance provided about the audited entities' performance against the audit criteria identified in the report.

Performance audits typically aim to provide reasonable assurance over the selected audit topic. However, some performance audits may only provide limited assurance over the audited entity's performance. The level of assurance provided from the audit will be based on the audit topic and the scope and nature of the audit performed.

Investigations

Investigations QAO conducts are not intended to provide a specific level of assurance under the auditing standards. Any reports we issue on the investigation are generally intended to provide information or insights on the matter being investigated.



Appendix B – Types of audits identified in the *Auditor-General Act 2009*

- s. 34A – Auditor-General must audit particular trusts
- s. 35 – Audits at the request of the Legislative Assembly
- s. 36 – By-arrangement basis
- s. 36A – Audits of matters relating to property that is, or was, held or received by a public sector entity and given to a non-public sector entity
- s. 37A – Performance audits of public sector entities
- s. 39 – Audit of the consolidated fund
- s. 40 – Audit of financial statements of public sector entities
- s. 41 – Audit of expenditure of ministerial offices
- s. 42 – Audit of consolidated whole-of-government financial statements
- s. 42A – Joint or collaborative audit.

Appendix C – Tabling protocols

General principle

The Auditor-General aims to table reports to parliament on parliamentary sitting days. Reports may be tabled on a non-sitting day where there are limited or no sitting days within 14 days of finalising a report. The same principle applies during periods of parliamentary recess.

Caretaker period

The Auditor-General has discretion for deciding when reports are to be provided for tabling in parliament.

State General Elections

Queensland holds state general elections on the last Saturday of October every 4 years. Constitutionally, the Governor dissolves the Legislative Assembly and issues a writ 26 days before polling day. The caretaker period begins when the Governor dissolves the Legislative Assembly. The date the caretaker period ends depends on the outcome of the election.

If a proposed audit report under s. 64 of the Auditor-General Act has been issued for comment and responses are received prior to the Legislative Assembly being dissolved, these reports may be tabled. However, no report will be tabled within 14 days of the commencement of the caretaker period.

If the Legislative Assembly has been dissolved prior to the lapse of the 21-day comment period, these reports will be tabled after the election.

An exception to these principles is that, if the report contains information parliament requested or is of significant public interest, the Auditor-General may elect to table the report as planned.

Local government elections

In Queensland, local government elections are held on the last Saturday in March every 4 years (unless a different day is fixed by regulation for a particular year). For local government elections, the caretaker period starts on the day the Electoral Commission of Queensland (ECQ) publishes the public notice about holding the election. The ECQ advises when the election has ended for each local government.

Reports focusing on local government matters will not be tabled during the caretaker period for local government elections. Where possible, we will seek to table reports on local government matters prior to this date. This is to ensure incumbent councils are given the opportunity to comment on matters that occurred during their elected term.

Estimates hearings period

Parliament does not sit during estimates hearings. The Auditor-General will not table a report to parliament between 7 days prior to the first estimates hearing and 7 days after the last estimates hearing.

An exception to this principle is that, if the report contains information parliament requested or of significant public interest, the Auditor-General may elect to table the report.



Significant public interest

Information of significant public interest is a matter of judgement, and the following is a non-exhaustive list of public interest matters that the Auditor-General may consider:

- matters of public concern and importance
- the proper administration of government
- the need to provide fairness and natural justice
- public health and safety
- the prevention and detection of crime and fraud
- the economic wellbeing of the state or local government.

Version control

Release notice				
Version number	Date of issue	Update type	Amendment details	Approved
1	13/10/1993	Initial release	Initial drafting	
2	13/09/1996	Major		
3	25/9/2003	Major		
4	01/05/2007	Major		
5	06/07/2010	Major		
6	11/10/2011	Major		
7	13/09/2012	Major		
8	10/12/2019	Major		
9	16/02/2023	Major		
10	April 2025	Major	Updated for Strategic review recommendations.	
11	September 2026	Minor	Annual review.	



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QUEENSLAND

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qao.qld.gov.au/contact-us

T: (07) 3149 6000
E: qao@qao.qld.gov.au
W: qao.qld.gov.au
53 Albert Street, Brisbane Qld 4000
PO Box 15396, City East Qld 4000