

# Performance audit

The Queensland Audit Office (QAO) audits the performance of government service delivery. This gives parliament and the community independent assurance that public money has been used well, that results meet expectations and that the entities are delivering public services efficiently, effectively and economically. Our audits are not just a compliance activity—we include better ways of delivering public services in our audit findings, conclusions and recommendations.

QAO aims to give its clients independent, valued assurance and insights to help them deliver better public services for Queensland.

Section 37A of our legislation, the *Auditor-General Act 2009* (the Act), governs QAO's performance audits, which parliament funds, rather than the audited entity. We also adhere to auditing standards.

## Selecting what we audit

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The size and diversity of the Queensland Government means that we are unable to evaluate the performance of all of its services regularly. Given our vision of 'better public services' we select a program of performance audits that recognises the key issues facing public sector and local government service delivery, and the wider community

We continually scan the environment that the Queensland Government operates in yearly and consult widely with parliamentary committees, public sector entities and other stakeholders to seek their views. We also welcome suggested performance audit topics from the public. Our approach identifies a number of potential topics.

The public and other parties may refer to us matters of financial waste or mismanagement which we investigate. The results of these investigations may also identify a potential topic.

In finalising our program, we first consider whether a potential topic is best addressed through a performance audit. We then prioritise topics according to their significance, risk, previous coverage and planned coverage by other review agencies.

Finally, based on the appropriation funding provided to us for undertaking performance audits, we select the topics we expect to examine over the next three years. We publish these annually in our strategic audit plan, which is available on our website: [www.qao.qld.gov.au](http://www.qao.qld.gov.au). We aim to balance our program of audits to give parliament assurance across the full range of public sector accountabilities.

We may replace or reschedule topics in the strategic audit plan to accommodate new information, trends or changing priorities.

## Fact sheet

## Our audit method

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Performance audits have three phases:

### Planning



The performance audit team contacts the entity to discuss background information and to develop a draft audit objective and scope. We formally notify the entity's chief executive about the audit and provide the final audit strategy, including its objective, scope and lines of inquiry.

### Conduct



The performance audit team performs detailed audit testing. We discuss findings throughout the audit with the entity and formally write to the entity's chief executive at the conclusion of the conduct phase to confirm audit facts and findings. We seek entity feedback on audit findings and discuss proposed recommendations.

### Reporting



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

We adhere to the *Auditor-General of Queensland Auditing Standards*, which incorporate Australian Auditing and Assurance Standards. These ensure our audits are of appropriate quality and evidence-based.

## Preparing for a performance audit

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

- make sure they understand the objectives, scope, focus and timing of the performance audit—these are outlined in our strategic audit plan and the impacted entity's audit strategy
- review their relevant strategies, plans, records and datasets to make sure they are up-to-date and are readily available for the audit team
- compile documentation on how they monitor and measure the effectiveness, economy and efficiency of the activity to be audited and have the most recent self-assessment results ready
- check that staff likely to be needed in the audit will be available in the times set out in the engagement letter and audit strategy
- provide the audit team with suitable on-site accommodation when it is needed.

## Communication

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

An engagement leader manages each of our performance audits, and we ask agencies to nominate an executive liaison officer as their primary point of contact. This person should have sufficient seniority and command of the audit topic to authoritatively represent the views of the entity. They must also have ready access to the chief executive to be able to update them as the audit progresses.

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

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

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

## Access and confidentiality

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

If required, the Act also provides us with the ability to compel testimony and the production of documents. We rarely use this power, and seek first to obtain information through collaboration and normal channels before pursuing such a course of action.

Because of our access powers, the Act also includes strong confidentiality provisions that safeguard the information collected during an audit.

Entity staff need to be particularly aware of the restrictions the Act places on the release of any information contained in a proposed report to parliament and related audit documents.



# After the performance audit

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## Parliament

Once tabled in parliament, each of our performance audit reports is referred to the relevant parliamentary committee, where QAO staff often brief committee members on the audit results. The committee may then decide to hold an inquiry into the report, but it is not obliged to do so.

If an inquiry is held, entity staff may be required to appear before the committee in public to answer questions about the report findings and to update the committee on the implementation of audit recommendations.

## Follow up

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

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

## Feedback

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





[qao.qld.gov.au/reports-resources/fact-sheets](https://qao.qld.gov.au/reports-resources/fact-sheets)  
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