

Auditor-General of Queensland

Auditing Standards

September 2012

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Preface

The Auditor-General is an independent officer of the Parliament.

The Auditor-General's principal role is to provide assurance to Parliament and the community on the financial management and performance of public sector entities. The Queensland Audit Office supports the Auditor-General and conducts audits of public sector entities, playing a key role in the public sector accountability framework.

These Standards are prepared pursuant to s.58 of the *Auditor-General Act 2009* and replace those tabled in the Legislative Assembly on 11 October 2011.

They apply to all authorised auditors.

Andrew Greaves
Auditor-General of Queensland

September 2012

Auditor-General of Queensland Auditing Standards

Application of *Auditor-General of Queensland Auditing Standards*

These standards are to be applied to all audits, reviews and assurance engagements undertaken by, or on behalf of, the Auditor-General pursuant to the requirements of the *Auditor-General Act 2009* (the Auditor-General Act) or other legislation. They represent the minimum standards to be applied by the Auditor-General and authorised auditors in discharging the Auditor-General's mandate under the Auditor-General Act.

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

Scope of these standards

In accordance with s.58 of the Auditor-General Act these standards set out the general standards to be applied to:

- the conduct of audits, reviews and assurance engagements (collectively referred to as 'audits' throughout)
- the selection, engagement and quality control of the work of contract auditors
- a decision as to whether an audit of a public sector entity for a financial year is small in size and of low risk for the purpose of s.30A of the Auditor-General Act.

These standards also set out the extent to which auditing standards made by relevant professional or statutory bodies are to be applied in conducting audits.

Operative Date

These standards apply from September 2012 and replace those tabled in the Legislative Assembly on 11 October 2011.

General standards applying to the conduct of audits

In accordance with s.37 of the Auditor-General Act, the Auditor-General may conduct an audit in the way the Auditor-General considers appropriate. All audits undertaken by, or on behalf of the Auditor-General, are to be conducted in accordance with the requirements of the Auditor-General Act. Other legislation may also prescribe requirements for the conduct of audits by the Auditor-General.

In addition, audits are also to be conducted in accordance with the requirements of standards issued by the Australian Auditing and Assurance standards Board (the AUASB) to the extent these are not inconsistent with the requirements of the Auditor-General Act or other applicable legislation.

Authorised auditors are to adhere to the highest standards of ethical behaviour and ensure the independence of the Auditor-General and the QAO is not compromised.

General standards applying to the selection, engagement and quality control of the work of 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. In relation to the appointment of contract auditors the Auditor-General shall:

- maintain an appropriate balance between the level of contracted-in assistance and the work performed by QAO
- require that all contract auditors have an appropriate level of skills, knowledge and experience to undertake audits of public sector entities in accordance with these standards
- require that all contract auditors maintain appropriate quality assurance systems in accordance with relevant professional requirements
- maintain appropriate systems for monitoring and reviewing the performance of contract auditors.

General standards to be applied in deciding whether an audit of a public sector entity for a financial year is small in size and of low risk

In accordance with the Auditor-General Act, public sector entities may be exempt from audit by the Auditor-General in certain circumstances. Exemptions shall be granted by the Auditor-General only where, in the Auditor-General's opinion, there are no public interest reasons for the Auditor-General to undertake the audit.

In accordance with s.30A of the Auditor-General Act an exemption from audit by the Auditor-General may be granted where the Auditor-General considers the audit of a public sector entity to be small in size and low in risk. In undertaking an assessment of an audit of a public sector entity for the purpose of s.30A, the Auditor-General shall consider:

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

Application and other explanatory material

The above standards are to be read in conjunction with the guidance provided in the following Application and other explanatory material section. They may also be supported by supplementary instructions, procedural statements, policies and operational guidelines issued from time to time by the Auditor-General.

Application and other explanatory material

Application of standards issued by professional and statutory bodies

The standards issued by the AUASB, set out the principles and essential procedures to be applied to all audits. Under s.227B of the *Australian Securities and Investments Commission Act 2001* the AUASB may:

- make auditing standards under s.336 of the *Corporations Act 2001* (the Corporations Act)
- formulate auditing and assurance standards for other purposes
- formulate guidance on auditing and assurance matters.

Standards issued by the AUASB under s.336 of the Corporations Act are legally enforceable for audits and reviews conducted under the Corporations Act. In undertaking an audit or review under the Corporations Act the Auditor-General must ensure compliance with the standards issued under s.336, but is not limited to a consideration of matters required by either those standards or the Corporations Act.

The standards issued by the AUASB under s.336 of the Corporations Act are applicable also to audits and assurance engagements, other than those conducted under the Corporations Act, but are not legally enforceable for such engagements.

These standards, along with other standards and guidance issued by the AUASB are to be adopted for all audits to the extent that they are relevant and not inconsistent with the requirements of the Auditor-General Act and other legislation that prescribes the Auditor-General's work.

General standards applying to the conduct of audits

The Auditor-General of Queensland's mandate to undertake audits of Queensland public sector entities is derived from the Auditor-General Act.

In undertaking these audits the Auditor-General cannot be directed by any person in relation to the manner in which the audit is to be conducted or the priorities to be given. In accordance with s.37 of the Auditor-General Act, the Auditor-General may have regard to recognised standards and practices in deciding the appropriate manner for conducting an audit.

Part 3 of the Auditor-General Act includes provisions which prescribe the scope of the Auditor-General's mandate and outlines the powers and responsibilities of the Auditor-General and authorised auditors when conducting audits. The legislative basis for the specific types of audits that may be conducted under the Auditor-General Act are included in the Appendix to these standards.

Conduct of audits of public sector entities

In accordance with s.30 of the Auditor-General Act, the Auditor-General is required to undertake an audit of the consolidated fund and all public sector entities each financial year.

The Auditor-General performs two types of audits of public sector entities, financial audits and performance audits.

Financial audits

The Auditor-General is required to undertake an audit of the annual financial statements of all public sector entities and issue an independent auditor's report on those statements in accordance with the requirements of s.40 of the Auditor-General Act.

The primary objective of these audits is to provide independent 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; and
- presented fairly in accordance with applicable accounting standards and legislative requirements.

The independent auditor's report issued on the financial statements by the Auditor-General, or delegate of the Auditor-General under s.40 of the Auditor-General Act, must apply these standards.

In undertaking financial audits, the Auditor-General is not limited to forming an opinion on the financial statements. This includes audits conducted on public sector entities established under the Corporations Act 2001.

Financial audits may also include an assessment of:

- the probity and propriety of matters associated with the management of public sector entities
- acts or omissions that have given rise to a waste of public resources
- compliance with relevant acts, regulations, government policies and other prescribed requirements.

In certain circumstances some public sector entities may not be 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 will be based on an examination of financial systems and transactions including an evaluation of compliance with applicable Acts and subordinate legislation.

Other financial audit and assurance activities

In undertaking financial audits of public sector entities, the Auditor-General may also agree to provide other audit and assurance services that are incidental to auditing annual financial statements. This may include undertaking special investigations or providing independent auditor's reports on grant acquittals, regulatory statements and internal control assessments. While these activities are within the Auditor-General's mandate for auditing of public sector entities, unless required by legislation these additional activities are undertaken at the discretion of the Auditor-General and only where deemed appropriate in the public interest.

QAO's public sector knowledge and experience allows provision of expert advice to key external stakeholders on a wide range of issues related to public sector financial management and accountability, accounting and auditing standards and other legislative requirements. The provision of expert advice will, however, only be provided where it does not impact on audit actual or perceived independence of the Auditor-General.

Performance audits

Sections 37A and 38 of the Auditor-General Act provide the Auditor-General with a broad mandate to conduct performance audits 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, excluding a Government Owned Corporation (GOC) are being achieved economically, efficiently and effectively and in compliance with all relevant laws
- determining whether performance management systems of a GOC or a controlled entity of a GOC enable them to assess whether their objectives are being achieved economically, efficiently and effectively
- reviewing performance measures adopted by public sector entities and assessing whether they are relevant and fairly represent entity performance.
- assessing compliance with relevant acts, regulations, government policies and other prescribed requirements.

A performance audit of a GOC or a controlled entity of a GOC may be undertaken at the request of the Legislative Assembly, a parliamentary committee, the Treasurer or an appropriate Minister. The Auditor-General may initiate action for a request to be made.

The program of performance audits is identified through environmental scanning and consultation with parliamentary committees, public sector agencies and other stakeholders. Performance audits are prioritised based on assessment of:

- significance—including financial materiality
- risk—including economic, social and environmental risk
- timeliness—including time elapsed since prior coverage by QAO or other review agency, and timing of any proposed coverage by other review agencies
- suitability for audit—including the existence of criteria against which performance can be assessed.

In practice there can be overlap between financial audits and performance audits and in such cases the outcome will depend on the primary purpose of the audit. The planned program for performance audits is documented in a three year strategic audit plan, developed in consultation with the appropriate parliamentary committee and relevant entities.

Collaborative audits

Section 42A of the Auditor-General Act permits the Auditor-General to conduct an audit jointly or in collaboration with an Auditor-General of another Australian jurisdiction. The objective of a joint or collaborative audit is to provide enhanced efficiency and consistency in auditing and reporting on areas of common interest.

These audits will generally be conducted as separate audits by each Auditor-General with the results of the audits shared between Auditors-General, to the extent relevant and permitted by governing legislation. The exact nature and scope of the audit to be conducted is at the discretion of each Auditor-General.

Such audits may be undertaken under s.42A 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 of information in relation to the audit.

Conduct of 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 on a 'by-arrangement basis' at the request of a Minister or public sector entity, where the entity consents to the audit; and
- 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.

A decision as to whether audits of this nature are to be conducted is at the discretion of the Auditor-General based on an assessment of the public interest.

These audits, where undertaken, are to be conducted in accordance with the requirements of the Auditor-General Act and these standards. In undertaking an audit of a non-public sector entity the Auditor-General shall ensure that the nature and scope of the audit and the rights and responsibilities of parties concerned are adequately communicated to the entity subject to the audit.

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

Audit methodology

The Auditor-General shall maintain an appropriate audit methodology and toolset to ensure all audits are conducted in accordance with the requirements of the Auditor-General Act and these standards.

The approved audit methodology must reflect:

- an appropriate focus on public sector accountability, including accountability to the Parliament
- adherence to auditing standards
- good practice
- value for money considerations.

Standards applying to authorised auditors

QAO will recruit personnel and appoint contract auditors with the necessary level of accounting and auditing expertise and other specialised skills, to enable the Auditor-General to effectively discharge the responsibilities and stewardship prescribed by the Auditor-General Act.

Authorised auditors are expected to have a sufficient understanding, commensurate with their responsibilities, of:

- the Auditor-General Act
- these standards
- relevant professional and ethical requirements
- the approved QAO audit methodology
- other policies, guidelines, instructions, and expectations of the Auditor-General
- the public sector environment including legislative requirements.

All audit work shall be carried out by authorised auditors with appropriate technical qualifications, skills and proficiency required for undertaking particular auditing tasks.

An authorised auditor shall maintain an objective approach and an attitude of professional scepticism to matters relating to recognition of facts, exercising of judgement and expression of opinions. An authorised auditor shall exercise due care and diligence by complying with these standards and other relevant written guidance and instructions in relation to the conduct of audits in accordance with the requirements of the Auditor-General Act.

Authorised auditors are bound by the confidentiality provisions contained in s.53 of the Auditor-General Act. Pursuant to this section, it is an offence for protected information to be used or communicated by authorised auditors for purposes outside the scope of the provisions of the Auditor-General Act.

Powers of access

Under s.46 of the Auditor-General Act an authorised auditor is entitled, at all reasonable times, to full and free access to all documents and property relevant to the audit and a person must not, without reasonable excuse, fail to comply with a requirement made under this section.

Sections 47 and 48 of the Auditor-General Act provide additional powers for obtaining information and evidence related to an audit. Generally, these sections will only be relied on in exceptional circumstances or when other means of seeking co-operation with an entity or person subject to audit have proven unsuccessful.

Communication and reporting

Effective, regular and timely communication with audited agencies is an important part of the audit process. Entry interviews are held to clarify the audit scope and decide on communication protocols. Observations, recommendations or suggestions arising from the conduct of these audits are shared with agencies throughout the audit, and formal opportunities to comment on these are provided progressively during the conduct of the audit report.

At the conclusion of each audit, an authorised auditor is required to prepare a report to the Auditor-General pursuant to s.54 of the Auditor-General Act, conveying the results of the audit and identify specific matters recommended for inclusion in a report to Parliament. The report should incorporate the public sector entity's views on the audit findings and conclusions together with information about management-initiated improvements or remedies. Disagreements between management and the authorised auditor must be documented and explained.

Based on a consideration of matters identified during the audit, the Auditor-General will determine those matters arising from the audit which are required to be reported to the appropriate Minister and Treasurer. If the Auditor-General deems matters to be significant, these matters will also be included in a Report to Parliament.

A matter of significance may include:

- a matter impacting on the independent auditor's report issued on the financial statements of an entity
- an absence of, or breakdown in, internal control which could lead to defalcations or inaccuracies, major errors and substantive arrears of work
- disregard for prescribed accounting and financial management standards
- substantial mismanagement or waste of resources
- problems which are systemic within a particular agency or across a broader field
- an issue of financial significance (irrespective of whether the matter has been resolved or not)
- the subject of criminal proceedings or serious disciplinary action
- an issue about financial performance and sustainability
- a current whole-of-government risk or emerging risks/future challenges
- better practice or proactive innovations by public sector entities representing positive reporting
- tardiness in implementing recommendations to address critical control issues.

The Auditor-General has a wide mandate to report other issues to the Parliament.

All audit reports are to be prepared in an objective; factual and balanced manner and shall be constructive and not concentrate solely on criticism of the past.

The Auditor-General has no authority to enforce the adoption of recommendations relating to matters arising from an audit. This remains the responsibility of agency management, Executive Government and ultimately, Parliament. The Auditor-General and authorised auditors, however, shall endeavour to work proactively with agencies, Executive Government and Parliament to ensure matters identified are appropriately resolved in a manner which enhances accountability and performance of agencies and the public sector in general.

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 appropriate parliamentary committee.

Independence and ethical standards

Authorised auditors must be objective, independent and diligent and avoid any possible compromise of independence through any form of conduct which could imply or create an impression of lack of independence.

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 which could affect audit independence and objectivity. Where a gift is received by an authorised auditor this must be declared, approved and reported in accordance with policy directives and prescribed requirements applying to QAO.

An authorised auditor shall not take part in any activity which could conflict or be perceived to conflict with professional audit interests or which could prejudice or be perceived to prejudice the performance of audit duties and responsibilities in an objective manner. Any potential or actual conflict of interest must be advised to the Auditor-General.

An authorised auditor is expected to adhere to the highest standards of ethical behaviour, having regard to the *Public Sector Ethics Act 1994* and APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board (APESB).

In addition, authorised auditors shall comply with QAO audit independence framework consisting of the *Code of Conduct for the Queensland Public Service* and other internal policies approved by the Auditor-General.

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 accounting 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.

Quality assurance standards

The Auditor-General has in place an appropriate quality assurance framework aimed at ensuring that 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:

- ASQC1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*
- ASA 220 *Quality Control for an Audit of a Financial Report and other Historical Financial Information*
- APES 320 *Quality Control for Firms*

In addition, Part 4 of the Auditor-General Act requires that a strategic review of QAO be conducted at least every five years. This strategic review includes a review of the Auditor-General's functions, and a review of the Auditor-General's performance of the functions to assess whether they are being performed economically, effectively and efficiently.

Exemptions from audit by the Auditor-General

Part 3, ss.30A, 31 and 32 of the Auditor-General Act provides that in certain circumstances public sector entities may be exempt from audit by the Auditor-General.

Section 30A of the Auditor-General Act allows the Auditor-General to exempt a public sector entity from audit by the Auditor-General if the Auditor-General is satisfied that the audit of the public sector entity for the financial year is small in size and low in risk. The criteria applied in assessing whether an audit is small in size and low in risk are outlined in the next section.

Section 31 of the Auditor-General Act provides that a regulation may exempt public sector entities from audit by the Auditor-General after the Minister has consulted with the Auditor-General about the proposed regulation. Exemptions granted under s.31 are included in the *Auditor-General Regulation 2009*.

Section 32 of the Auditor-General Act allows the Auditor-General to exempt a range of defined controlled entities from audit by the Auditor-General and for the audit to be undertaken by an auditor approved by the Auditor-General. Exemptions will generally be granted under this section where:

- the audit is to be undertaken in a location where the Auditor-General does not have jurisdiction or is not recognised as a qualified auditor
- it is impracticable for the Auditor-General to undertake the audit of the controlled entity because the entity is based or has significant operations in a country other than Australia; or
- the audit would require specialist skills.

In all cases where an exemption is granted the relevant public sector entities are required to implement alternate audit arrangements.

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 public sector entities.

Criteria for identifying if audits of public sector entities are small in size and low risk—Auditor-General Act s.32

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

For an audit of a public sector entity to be considered 'small in size' the consolidated revenue for the financial year under review and the value of the consolidated gross assets for the entity and any entities it controls must be less than the thresholds established in s.45A of the Corporations Act 2001 in relation to small proprietary companies.

In assessing whether an entity is '**low in risk**' the following factors will be considered:

- 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 the 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 on 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
 - included in an Auditor-General's reports to Parliament.

Any decision to exempt a public sector entity from audit by the Auditor-General on the basis it is considered to be 'small in size and low in risk' is ultimately at the discretion of the Auditor-General. In determining whether to grant an exemption under s.30A the Auditor-General may take into account any factors the Auditor-General considers appropriate in the circumstances. This includes any whole of government or public interest reasons.

Where such an exemption is granted, the public sector entity must appoint an appropriately qualified auditor to undertake the audit in accordance with the requirements of s.30A. The Auditor-General may impose conditions in relation to the granting of the exemption including:

- the period, not exceeding three years, for which the exemption is being granted
- information to be provided to the Auditor-General by the entity and the appointed auditor to enable an annual assessment of the exemption as required by s.30A.

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 there is a significant change in the assessment of the audit or where issues are identified with the quality of the audit performed by the auditor appointed by the public sector entity.

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.

Section 58(1)(a)(ii) of the Auditor-General Act requires the Auditor-General to report to the Legislative Assembly the general standards to be applied in the selection, engagement and quality control of the work of contract auditors.

Selection of work to be contracted out

The decision to contract-out audits or part of an audit is a strategic decision of the Auditor-General having regard to the overall mandate, the optimum mix of permanent QAO staff and contracted-in assistance, and the suitability of audits for contracting out.

In assessing whether particular audits are suitable for contracting-out the following factors are to be considered:

- need to maintain relevant industry and sector knowledge within QAO
- level of risk associated with the audit
- size and significance of the audit in relation the whole of government or the particular industry sector
- interrelationships between State government entities
- sensitivities associated with the entity's operations or information that the entity holds
- uniqueness of the audit
- need to maintain continuity of audit arrangements
- need to access specialist expertise and assistance.

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 set by the Auditor-General. These minimum standards include:

- relevant experience to enable them to undertake audits in the public and/or private sectors
- capacity to undertake audits on behalf of the Auditor-General
- an appropriate audit methodology compliant with the requirements of the standards issued by the AUASB and these standards
- an understanding of additional audit objectives associated with undertaking an audit of a public sector entity
- an appropriate system of quality assurance at both the firm and audit level

A register is to be maintained of all pre-qualified audit service providers. 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
- eligibility to undertake audits of listed entities
- extent of revenue earned by the firm from audit 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 to be performed by a contract auditor are offered to pre-qualified audit service providers in accordance with approved QAO procurement policies which comply with the *State Procurement Policy*.

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

- actual or potential conflicts of interest
- whether the auditor is of good standing
- entity feedback on past performance.

Quality control of work of contract auditors

A contract auditor is an 'authorised auditor' for the purpose of the Auditor-General Act. Accordingly, contract auditors have all powers and responsibilities of an authorised auditor under the Auditor-General Act. All audit work performed by contract auditors on behalf of the Auditor-General is to be undertaken in accordance with these standards.

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

Contract auditors are to maintain their own quality assurance systems in accordance with relevant professional and ethical requirements including:

- ASQC1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*
- ASA 220 *Quality Control for an Audit of a Financial Report and other Historical Financial Information*
- APES 110 *Code of Ethics for Professional Accountants*
- APES 320 *Quality Control for Firms*.

Contract auditors must ensure that the Auditor-General is advised of any real or perceived conflicts of interest in relation to work undertaken on behalf of the Auditor-General. In this regard contract audit firms must not engage in the provision of other services of any nature to a public sector entity it is engaged to audit during the period of the contract for auditing services.

QAO's Quality Assurance Framework is also to provide for the regular review of contract auditor performance and quality assurance systems implemented by the contract audit firms. 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.

All working papers prepared in connection with the contract audit are the property of QAO and are to be made available to QAO staff for the purposes of undertaking quality reviews and assessment of contract auditor performance in accordance with QAO policies approved by the Auditor-General. Work papers are public records under the *Public Records Act 2002* and cannot be destroyed/disposed of without the specific authority of the Auditor-General.

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

Appendix A

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

- 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.38 Audits of performance managements systems of government owned corporations and controlled entities of government owned corporations
- 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.