What is a performance audit

How to prepare for one

Queensland Audit Office
Better public services
What are performance audits?

What happens during a performance audit?

How will we communicate with you?

What information can we access?

What happens during the reporting stage?

What happens after the performance audit?
Independent assurance to parliament and the community
— public money has been spent wisely
— results meet expectations

Assess whether an entity is achieving objectives
— efficiently, effectively, economically

Includes best practice ways of delivering public services

Do not question the merits of policy objectives

Governed by *Auditor-General Act 2009*
What happens?

### Planning
- Preliminary research
- Contact entity
- Provide audit strategy

### Conduct
- Collect evidence
- Detailed testing
- Analyse findings
- Seek feedback

### Reporting
- Draft report for comment
- Report results to parliament

### QAO

### Entity
- Attend meetings
- Provide information
- Comment on objective and scope
- Nominate POC

- Provide audit evidence
- Attend meetings
- Provide feedback

- Review draft report
- Provide final comments for inclusion in the report
The audit strategy

Developed after our detailed planning
- confirms audit *objective* and the *entities*
- describes audit *scope* and *objective*

**Audit objective and sub-objectives are key focus areas of a performance audit**

We discuss the audit strategy with you to ensure value
How to prepare

- Understand the objective, sub-objectives, focus and timing
- Review relevant strategies, policies, plans and dataset
- Compile documentation on how you monitor and measure the effectiveness, economy and efficiency of the activity to be audited
- Check that staff will be available
- Determine how the entity will coordinate with other entities
Entities nominate a contact officer as the primary point of contact

• sufficient seniority
• available throughout the term of the audit

We will invite the contact officer and executive responsible for the audited area to key meetings

Contact officer needs to keep the chief executive informed
No surprises approach

Correspondence to the chief executive will include:

<table>
<thead>
<tr>
<th>Audit stage</th>
<th>Deliverable</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of detailed planning</td>
<td>Audit strategy</td>
<td>Confirm audit scope and conduct</td>
</tr>
<tr>
<td>End of fieldwork</td>
<td>End of conduct briefing</td>
<td>Validate and obtain comment on audit facts and findings. Discuss proposed recommendations for the draft report to parliament</td>
</tr>
<tr>
<td>Reporting</td>
<td>Proposed report</td>
<td>Draft of report to parliament for formal comment as per s.64 of the Auditor-General Act 2009</td>
</tr>
</tbody>
</table>
Key audit meetings

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning meeting</td>
<td>Discuss proposed audit scope and preliminary fieldwork activities</td>
</tr>
<tr>
<td>Conduct meeting</td>
<td>Discuss preliminary findings and proposed detailed fieldwork activities</td>
</tr>
<tr>
<td>Exit meeting</td>
<td>Discuss end of conduct brief and conclude fieldwork</td>
</tr>
</tbody>
</table>

We will also offer to meet on the preliminary and proposed reports. We may also attend the entity’s audit committee meetings to provide updates.
Access to information

To enable QAO to provide the checks and balances, our Act allows us to collect the evidence we need to reach an informed conclusion.

Sensitive information

We have strict confidentiality provisions to safeguard your information.
We issue a proposed report prior to completion

Provide the accountable officer with **21 days** to submit a written response

May also issue a preliminary report before the proposed
— provides entities with opportunities to correct matters of fact
Each performance audit report includes recommendations on how to improve the service delivery area that we have audited.

By accepting these recommendations, the entity agrees to resolve gaps in performance.
Parliament

The report is referred to the relevant parliamentary committee

• They may hold an inquiry into the report, but not obliged
• Entity staff may be required to update the committee on the implementation of recommendations
Follow up

Entities often report progress on implementing QAO recommendations to their audit committees.
We write within two years regarding progress.
We may schedule a follow-up audit.

Agency feedback

An independent researcher sends a survey to the audited entity— we use these results to identify areas for improvement.
Further information

Contact us  www.qao.qld.gov.au/contact-us
• Contribute to a performance audit
• Suggest a performance audit topic
• Raise an issue about financial waste and mismanagement

Subscribe  www.qao.qld.gov.au/subscribe

Join us on LinkedIn ‘Queensland Audit Office’
Any questions, please contact us

T: (07) 3149 6000
M: qao@qao.qld.gov.au
W: qao.qld.gov.au

Queensland Audit Office