

A. About the Queensland Audit Office

Our audit services

The Queensland Audit Office (QAO) is parliament's independent auditor of Queensland's state and local government public sector entities. We are one of the largest audit practices in Queensland.

QAO provides audit and assurance services and shares insights through our reports to parliament. Our financial audits deliver audit opinions on the accuracy and reliability of entities' financial statements. Our performance audits examine government programs to consider if public money is being used well and if government is meeting the community's expectations around service delivery.

In 2021–22, we formed 397 audit opinions about the reliability of financial statements of state and local government entities (2020–21: 407). Our audit service providers performed the audits that delivered 165 (42 per cent) of these opinions (2020–21: 180 or 44 per cent). We recover the costs of our financial audits from audit fees. Financial audit fee revenue totalled \$39.77 million in 2021–22 (2020–21: \$38.95 million).

Our audits are not just a compliance activity – we make recommendations that strengthen internal controls and improve public sector accountability.

We tabled 19 reports to parliament this financial year. Eight of these were on the combined results of individual financial audits, with the other 11 covering performance audits. Our insights and recommendations help entities improve their financial management and service delivery. Our [Forward work plan 2022–25](#) sets out the reports we plan to table over the next 3 years.

The cost of our performance audits, all our reports to parliament, investigations and the office of the Auditor-General is funded through parliamentary appropriations – totalling \$7.00 million in 2021–22 (2020–21: \$6.59 million).

More information about our achievements, our structure and our mandate is in our annual report, which is available on our [website](#).

Our mandate

The *Auditor-General Act 2009* (the Act) governs the powers and functions of the Auditor-General. It provides the legal basis for QAO's access to information, and the freedom to report the findings from our audits. Our audits are conducted in accordance with the *Auditor-General Auditing Standards*. These standards require us to adopt standards issued by the Australian Auditing and Assurance Standards Board to the extent they are consistent with the requirements of the Act.

Strategic review of the Queensland Audit Office

A key accountability measure within the *Auditor-General Act 2009* (the Act) is an independent review of our organisation to be conducted at least every 5 years. The Governor in Council appoints the independent reviewers from outside our organisation and provides them with the terms of reference. The reviewers engage with us, our staff, our clients, and other key stakeholders to understand how well we are operating and fulfilling our mandate.

The *Strategic Review of the Queensland Audit Office 2017* was tabled in parliament on 23 March 2017. All recommendations from the review, that do not rely on action by external stakeholders, have been addressed by us. The next review is due in 2023.



Our independence practices

The Act promotes the independence from government of the Auditor-General. This is demonstrated in both the conduct of our audits and in our reporting on them. However, our Act, and the independence of the Auditor-General, can be further strengthened. In July 2022, an independent review into the accountability and culture in the Queensland public sector made a series of recommendations to improve the independence of the Auditor-General. The Queensland Government has accepted, or accepted in principle, the recommendations. The first stage of improvements to our Act occurred in the *Integrity and Other Legislation Amendment Act 2022*. Our submission is available on our [website](#).

Independence standards

As an audit practice, we apply standards requiring independence, as issued by the Australian Auditing and Assurance Standards Board. These standards require auditors to establish policies and procedures designed to provide reasonable assurance that QAO, its personnel and, where applicable, others subject to independence requirements, maintain independence where required by relevant ethical requirements, laws, and regulations.

Our policies and procedures enable us to:

- communicate our independence requirements to our staff (including our audit service providers)
- identify threats to independence, evaluate whether the identified threats are at an acceptable level, and, if not, address them – by eliminating the circumstances that create the threats and applying safeguards to reduce threats to an acceptable level
- ensure we are notified of breaches of independence requirements, and take appropriate actions to resolve those breaches
- obtain (annually) written confirmation of compliance with policies and procedures on independence from all personnel who are required to be independent by relevant ethical requirements and applicable legal and regulatory requirements.

Independence practices

The Auditor-General is required to provide at least an annual declaration of interests to the parliamentary Economics and Governance Committee and to the Integrity Commissioner.

Under the Public Service Commission’s policy *Declaration of Interests – Senior Executive Service and Equivalent Employees including Statutory Office Holders*, our Assistant Auditors-General and senior directors are required to submit an annual declaration of interests to the Auditor-General. These officers are responsible for fully disclosing their interests that may have a bearing, or be perceived to have a bearing, on their ability to discharge the duties of their office properly and impartially. In 2021–22, all declarations were received and assessed.

In addition, the Assistant Auditor-General—Audit Practice, who acts as the Deputy Auditor-General when required, is required to provide a declaration of interests to the Public Service Commission.

All staff are required to demonstrate objectivity, integrity, and professional behaviour. We have independence policies and procedures to ensure compliance with professional standards, regulations, and ethical conduct. These apply equally to the Auditor-General.

The engagement leader is responsible for ensuring all staff involved in an audit engagement demonstrate independence of mind and independence of appearance throughout the audit. We monitor and consider familiarity threats when assigning QAO staff to audits.

Rotation of key audit staff helps provide a fresh perspective and reduces familiarity and self-interest threats to independence. We maintain a database that tracks auditor involvement on engagements to facilitate succession planning, monitor compliance with rotation requirements, and provide a seamless experience for our clients.



Where an actual or potential conflict of interest is identified, the engagement leader must propose how QAO will manage the issue.

Our commitment to independence is reinforced through comprehensive independence policies, procedures, and monitoring.

QAO maintains a register of gifts and benefits that records any gifts or benefits received as part of official duties. This is published online to avoid any perception of conflicts of interest or inappropriate influence.

