

# ACT AUDITOR–GENERAL'S **ANNUAL REPORT**

**2024–25 Annual Report**

The ACT Audit Office acknowledges the Ngunnawal people as the traditional custodians of the ACT and recognises any other people or families with connection to the lands of the ACT and region.

We respect the Aboriginal and Torres Strait Islander people, particularly our Aboriginal and Torres Strait Islander staff, and their continuing culture and contribution they make to the Canberra region and the life of our city.

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Produced for the Office of the ACT Legislative Assembly by the ACT Audit Office.

Information about the ACT Audit Office and an electronic version of this annual report can be found on the website: [www.audit.act.gov.au](http://www.audit.act.gov.au).



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# List of abbreviations and glossary

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ACAG	Australasian Council of Auditors-General
A-G Act	<i>Auditor-General Act 1996</i>
ACT	Australian Capital Territory
ACT PSF	ACT Protective Security Framework
ACTPS	ACT Public Service
ASE	Agency Security Executive
ARC	Audit and Review Committee
Audit Office	ACT Audit Office
Auditees	ACT Government entities audited by the Auditor-General
CAE	Chief Audit Executive
Caseware	Audit document management system
CO2-e	Carbon dioxide equivalent
FTE	Full-time equivalent
FOI	Freedom of Information
FOI Act 2016	<i>Freedom of Information Act 2016</i>
GST	Goods and services tax
HR	Human resources
ICT	Information Communications Technology
IT	Information Technology
MLA	Members of the ACT Legislative Assembly
OCC	Office Consultative Committee
PAAC	Standing Committee on Public Accounts and Administration
PASAI	Pacific Association of Supreme Audit Institutions
PAMPPr	Performance Audit Methods and Practices
PSM	Public Service Medal
SERBIR	Senior Executive Responsible for Business Integrity Risk
Strategic Plan	<i>Strategic Plan 2023-2026</i> of the ACT Audit Office



# A Transmittal Certificate

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Mark Parton  
Speaker  
Legislative Assembly for the Australian Capital Territory  
London Circuit  
Canberra ACT 2601

Dear Mr Speaker

I have pleasure in submitting the 2024-25 Annual Report of the ACT Audit Office (Audit Office). The Annual Report has been prepared to fulfil the requirements of section 7A of the *Annual Reports (Government Agencies) Act 2004*. While paragraph 8(2)(b) of the Act advises that an annual report direction does not apply to Officers of the ACT Legislative Assembly, this report has been prepared to respect the directions outlined in the *Annual Reports (Government Agencies) Directions 2025*.

I certify that the information in the attached 2024-25 Annual Report, and information for whole of government reporting, is an honest and accurate account of the management of the Audit Office and that all material information on the operations of the Audit Office has been included for the period from 1 July 2024 to 30 June 2025.

I also hereby certify that fraud prevention in 2024-25 was managed in accordance with *Public Sector Management Standards 2006 (repealed)*, Part 2.3 (see section 113, *Public Sector Management Standards 2016*).

Section 15 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the Annual Report to the ACT Legislative Assembly within 15 weeks after the end of the reporting year.

Yours sincerely



Michael Harris  
Auditor-General  
8 October 2025

# B Organisational overview and performance

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## B.1 Organisational overview

The *Auditor-General Act 1996* (A-G Act) governs the functions and powers of the Auditor-General. It also establishes that the Auditor-General is an independent Officer of the ACT Legislative Assembly. While this emphasises the important connection with the ACT Legislative Assembly, the Auditor-General is an independent statutory position with complete discretion in how functions are undertaken.

The Auditor-General conducts independent financial and performance audits on ACT Government agencies and those entities in receipt of ACT Government funding or resources. The results of these audits are reported to the ACT Legislative Assembly and ACT community. Audits are, therefore, an important means of holding agencies and entities to account and encouraging them to continuously improve their activities.

Additionally, the Auditor-General receives representations from the public, with some issues raised being examined through performance audits.

The ACT Audit Office (Audit Office) supports the Auditor-General in performing his functions.

### B.1.1 Vision, role and values

The Audit Office's [Strategic Plan 2023-2026](#) (Strategic Plan) sets out the vision, role, and values of the Audit Office and defines its objectives. It is available on the Audit Office's website ([www.audit.act.gov.au](http://www.audit.act.gov.au)).

The Audit Office's vision is 'an accountable and highly performing ACT Public Sector' and its role is to:

- provide an independent view to the ACT Legislative Assembly and the community on the efficiency and effectiveness of the ACT Public Sector;
- promote accountability in the public administration of the Territory; and
- promote the efficiency and effectiveness of public services and programs provided by the Territory.

#### B.1.1.1 Values

The values which guide the Audit Office's work and the behaviour of its staff are:

- independence – impartial and evidence-based reporting is our most powerful influence;
- integrity – we are honest, truthful and fair;
- professionalism – we fulfil our obligations;

- respect – we seek to understand and be trusted by our stakeholders; and
- learning and innovation – we strive to realise our full potential.

These values align with those of the ACT Public Service (ACTPS); a difference arises due to the Audit Office's core value of independence which takes precedence over the ACTPS value of collaboration. While the Audit Office uses collaborative approaches in undertaking its work, attention is given to doing this within the context of the Audit Office's independence.

### **B.1.1.2 Independence**

The independence of the Auditor-General and the quality and objectivity of the Audit Office's work form the foundation of the Audit Office's standing and reputation.

Provisions in the A-G Act support the Auditor-General to undertake financial and performance audits independent of the agency or entity being audited. The A-G Act mandates that the Auditor-General is not subject to direction in the exercise of the Auditor-General's functions. A similar provision applies to Audit Office staff, who are not subject to direction from anyone other than the Auditor-General or another member of the Audit Office authorised by the Auditor-General.

While having legislation that enshrines independence is important, so are the professional auditing standards that require auditors' attestations of independence, adopted by the Audit Office. Also of importance is the commitment by staff to independence in the conduct and reporting of audits. This ability is tested at recruitment and re-enforced by ongoing professional development activities supported by the Office's learning and development program. Importantly, the values of the Audit Office are fostered in all activities staff undertake.

### **B.1.1.3 Integrity**

Integrity, honesty, truthfulness and fairness are achieved primarily through the quality of the people we recruit and are emphasised through ongoing professional development activities and regular internal communication.

Integrity is routinely examined through the Audit Office's strong quality assurance and quality control processes for financial and performance audits and is considered an important aspect of the governance arrangements for the Audit Office. Internal audits, overseen by the Audit and Review Committee (ARC), also assist in strengthening the governance of the Audit Office. The ARC's membership includes two independent external members in addition to an internal senior officer. One of the external members is appointed as the Chair of the ARC.

In addition to the above, the Audit Office places continuing emphasis on risk management (covered in Section B.4.1 'Risk management'). One of the key risks in this area is the quality of audits. To address this risk, the Audit Office operates a System of Quality Management in accordance with Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services*.

The Audit Office conducts quality assurance reviews of its financial and performance audit work every year in accordance with its *Quality Management Framework*. The quality assurance work relating to performance audits and financial audits is discussed under Section B.2.9 ‘Monitoring and improving the quality of performance audit work’ and Section B.2.15 ‘Improving the quality of financial audit work’.

#### **B.1.1.4 Professionalism**

Professionalism includes a commitment for staff to fulfil obligations. Importantly, this involves the completion of an annual program of financial and performance audits. Information on the progress of the program is provided in Section B.2 ‘Performance analysis’.

A part of the Audit Office’s value of professionalism is to seek to deliver services despite any adverse events; therefore, risk management is important. For the Audit Office, a key risk arises from its small size which contributes to significant key person dependencies.

The Auditor-General is a member of the Australasian Council of Auditors-General (ACAG), which is a forum for all Auditors-General in Australia and some from the Pacific region, to share information. It fosters performance improvement through supporting targeted projects, such as mutual quality assurance reviews and benchmarking.

There are ACAG sub-committees which focus on financial audits; performance audits; financial reporting and accounting; quality assurance and auditing; corporate services and data analytics. Sub-committees provide opportunities for executives and senior audit staff to share information and work together on key issues relevant to audit offices. The Auditor-General served as Chair of the Financial Reporting and Accounting Committee for a two-year term concluding at the end of the 2024-25 financial year.

The Audit Office is a member of the Pacific Association of Supreme Audit Institutions (PASAI) and the Auditor-General attends the annual PASAI Congress.

The Audit Office continued its twinning arrangement with the Kiribati Audit Office in 2024-25 by providing ongoing support on both performance audits and financial acquittal audits. The Office’s support included a visit to Kiribati by two senior officers in May 2025 to provide in person training and support. This was followed by a visit from the Auditor-General in June 2025, during which the twinning partnership agreement was formally renewed for two years (July 2025 to June 2027). The ACT Legislative Assembly and the Kiribati Maneaba ni Maungatabu (national parliament) also have a partnership agreement.

#### **B.1.1.5 Respect**

This value reflects the Audit Office’s concerted effort to strengthen the trust and respect of stakeholders through effective engagement.

The Audit Office serves the community through the elected representatives in the ACT Legislative Assembly to whom it reports. Each year, there are many interactions with

Members of the ACT Legislative Assembly (MLAs). MLAs can provide their feedback to the Auditor-General at any time.

Engagement with the Speaker of the ACT Legislative Assembly and members of the Standing Committee on Public Accounts and Administration (PAAC) and the Standing Committee on the Integrity Commission and Statutory Office Holders occurs more frequently, given their respective roles.

Another way in which the Audit Office shows respect for the community is in the development of the annual performance audit program. Information received from representations, key community groups, the PAAC and other Assembly committees, MLAs, the Head of Service and ACT Government directorates and other entities is considered.

Building confidence in the work of the Audit Office is also achieved through consultation at key stages of an audit and by seeking and responding to feedback provided by auditees. The Audit Office builds its understanding of the operations of agencies by routinely attending agencies' internal audit committee meetings. Attendance at these meetings improves communication with agencies and informs the Audit Office of emerging issues.

In 2024-25, the Audit Office hosted two roundtable information sessions to facilitate engagement with representatives from directorates and agencies in relation to performance audits. The first information session (November 2024) was held with stakeholders from internal audit and governance functions across ACTPS directorates and agencies, while the second information session (June 2025) was held for executives and senior managers from business areas expected to be the subject of performance audits in 2025-26. A financial audit reporting webinar was conducted by the Audit Office for auditees on 5 March 2025 and was positively received by a wide range of attendees. Additionally, briefings are provided to auditees routinely as part of audit planning processes and when requested.

Auditees' perceptions of audits are routinely collected through surveys of audited agencies and detailed information is included in the report on the Audit Office's Statement of Performance in Section C.6 'Statement of Performance'.

### **B.1.1.6 Learning and innovation**

As discussed in Section B.14.6 'Learning and development', the Audit Office continued to give a high priority to improving staff capabilities. Staff are trained on a diverse range of topics including requirements of the auditing and accounting standards and opportunities to pursue individual training needs identified in discussion with supervisors.

The Audit Office continued to support staff studying for tertiary and professional qualifications including covering the costs of up to two professional memberships for staff.

Staff undertaking the Certified Practising Accountant and Chartered Accountant programs have continued to benefit from the Audit Office's accreditation as CPA Australia's Recognised Employer Partner (since 2016) and Chartered Accountants Australia and New Zealand's Recognised Training Employer (since 2017).

## B.1.2 Organisation

The Audit Office consists of the following operational areas:

- Financial Audit;
- Performance Audit; and
- Professional Services.

Figure B.1 shows the organisation structure of the Audit Office at 30 June 2025.

The Audit Office’s Senior Executives in 2024-25 were:

- Mr Michael Harris, Auditor-General;
- Mr Ajay Sharma PSM, Assistant Auditor-General, Financial Audit;
- Mr Brett Stanton, Assistant Auditor-General, Performance Audit; and
- Ms Caroline Smith, Chief Operating Officer, Professional Services.

Further information on these and other key management personnel is provided in Section B.1.4.1 ‘Executive Committee’; and in Note 9: ‘Related parties’ in Section C.2 ‘Financial Statements’.

**Figure B.1 Organisational structure**



## B.1.3 Performance and outlook

### B.1.3.1 Delivery of the Office's program of audits

In 2024-25, the Audit Office delivered 60 financial auditor's reports and 30 limited assurance reports and tabled nine performance audit reports and one information report.

Information on the Audit Office's operating results is provided in Section C.1 'Financial management analysis'.

## B.1.4 Internal accountability

The Audit Office has sound internal accountability and governance arrangements, including risk and fraud management. These are overseen by the Audit Office's Executive Committee and other internal committees and management groups.

### B.1.4.1 Executive Committee

The Executive Committee is responsible for the management of the Audit Office, including the implementation of the Audit Office's risk management, business continuity and fraud prevention plans.

The Executive Committee comprises the Auditor-General; Assistant Auditor-General, Performance Audit; Assistant Auditor-General, Financial Audit; Chief Operating Officer, Professional Services; and a representative of the Office Consultative Committee (OCC). The Executive Committee is supported by the Executive Officer.

Executive Committee members at 30 June 2025 were the:

- Auditor-General: Mr Michael Harris, responsible for carrying out functions under the A-G Act, including promoting public accountability and undertaking audits;
- Assistant Auditor General, Financial Audit: Mr Ajay Sharma PSM, responsible for managing financial audit activities;
- Assistant Auditor-General, Performance Audit: Mr Brett Stanton, responsible for managing performance audit activities. This includes management of performance audits and representations received by the Audit Office. Mr Stanton also fulfils the roles of Senior Executive Responsible for Business Integrity Risk (SERBIR) and Agency Security Executive (ASE);
- Chief Operating Officer, Professional Services: Ms Caroline Smith, responsible for managing the day-to-day operations of the Audit Office; providing advice on auditing standards; accounting and human resource matters; conducting quality assurance reviews on performance and financial audits; developing learning and development programs; and fulfilling the role of Chief Audit Executive (CAE); and
- a representative of the OCC. The following OCC representatives attended the Executive Committee during 2024-25: Mr David Kelly, Director, Professional Services from 1 July 2024 to 10 December 2024; and Dr Megan Hemming, Senior Director, Performance Audit from 5 February 2025 to 30 June 2025.

### B.1.4.2 Internal committees, management and staff groups

The Executive Committee is supported by internal committees, management and staff groups. Management of the Audit Office is coordinated through regular meetings between the Executive, Audit Principals, Senior Directors, Directors, Audit Managers and other staff. Table B-1 outlines the internal committees in the Audit Office.

**Table B-1: Internal Committees**

Committee name and meeting frequency	Committee purpose	Committee membership in 2024-25
<p>Executive Committee Generally meets fortnightly</p>	<p>The Executive Committee is the senior group responsible for the governance and management of the Audit Office.</p> <p>The Committee considers strategic and operational matters, monitors the Audit Office’s performance and determines the strategic and operational priorities for the office.</p>	<p>Chaired by Auditor-General. Assistant Auditor-General, Financial Audit. Assistant Auditor-General Performance Audit (and ASE). Chief Operating Officer, Professional Services (and CAE). OCC Representative. Executive Officer provides secretariat services.</p>
<p>Audit and Review Committee Five meetings per year</p>	<p>The Committee provides assurance to the Auditor-General that the Audit Office’s governance, internal audit and risk management arrangements are adequate.</p> <p>The Committee considers the Audit Office’s financial statements and statement of performance and monitors the implementation of relevant recommendations from internal audit reports, quality assurance reports and reports from the Risk Manager.</p>	<p>Two independent external members, one of which is the Chair of the Committee. One senior Audit Office staff member from Financial Audit. The Auditor-General and the CAE (Chief Operating Officer, Professional Services) have standing invitations to attend the meeting as observers. The Senior Director, Professional Services provides secretariat services.</p>
<p>Agency Security Committee Generally meets fortnightly</p>	<p>The Committee monitors key protective security risks and provides oversight of the Audit Office’s protective security practices.</p> <p>The Committee is a sub-committee of the Executive Committee.</p> <p>The Committee considers reports from the Risk Manager and Agency Security Adviser.</p>	<p>Chaired by the ASE (Assistant Auditor-General, Performance Audit). Executive Committee. Risk Manager and Agency Security Adviser.</p>

<b>Committee name and meeting frequency</b>	<b>Committee purpose</b>	<b>Committee membership in 2024-25</b>
<p>Quality Assurance and Review Committee</p> <p>Generally meets fortnightly</p>	<p>The Committee discusses quality assurance matters and monitors changes to auditing standards.</p> <p>The Committee is a sub-committee of the Executive Committee.</p>	<p>Chaired by CAE (Chief Operating Officer, Professional Services).</p> <p>Executive Committee.</p>
<p>Office Consultative Committee</p> <p>Meets at least four times per year or more frequently as required</p>	<p>The Committee is a formal forum for liaison between the Office Executive and staff for effective consultation and staff participation in decisions that affect employment; these include changes to organisational policies and work practices. Through it, staff have input into such policies and practices.</p>	<p>Four staff representatives.</p> <p>One representative from the Executive Committee (Assistant Auditor-General, Financial Audit).</p> <p>One representative from the Community and Public Sector Union.</p>
<p>Digital Committee</p> <p>Meets as required</p>	<p>The Committee was established as a sub-committee of the Executive Committee to support the planning, prioritising and implementation of technological improvements for the Office.</p>	<p>Two staff representatives, including a staff member as Chair.</p>
<p>Social Committee</p> <p>Meets as required</p>	<p>The Committee was established as a sub-committee of the Executive Committee to help maintain a positive, inclusive and supportive workplace atmosphere by creating a sense of community, harmony, familiarity and friendship amongst all staff of the Office.</p> <p>The Social Committee does this by organising social and recreational events for the enjoyment of staff members. This may include an end of year celebration, multicultural days and other ad hoc events throughout the year.</p>	<p>Six staff representatives, including a staff member as Chair.</p>

Table B-2 outlines the management of staff groups in the Audit Office.

**Table B-2: Management and staff groups**

<b>Group name and meeting frequency</b>	<b>Purpose</b>	<b>Participation</b>
Financial Audit Management meeting Generally meets fortnightly or as required	Considers strategic and operational matters relating to financial audit activities.	Chaired by Assistant Auditor-General, Financial Audit. Audit Principals, Financial Audit. Senior Directors, Financial Audit.
Financial Audit Forum Generally meets monthly	Considers operational and technical issues affecting financial audit activities.	Chaired by various Financial Audit staff. Financial Audit staff.
Performance Audit Team meeting Generally meeting fortnightly or as required	Considers operational issues affecting the performance audit function.	Chaired by various Performance Audit staff. Performance Audit staff.
Professional Services Team meeting Generally meets monthly	Considers strategic and operational issues affecting the professional services function.	Chaired by the Chief Operating Officer, Professional Services. Professional Services Staff.
All staff meetings Generally held quarterly	A forum in which to share information and discuss Audit Office issues with all staff.	Chaired by Chief Operating Officer, Professional Services. All staff.

## **B.1.5 Key internal accountability mechanisms**

The Audit and Review Committee (ARC) is an important internal accountability mechanism for the Audit Office. The ARC reports directly to the Auditor-General and provides assurance on the Audit Office’s risk, control and compliance framework and its external accountability responsibilities.

The ARC’s membership consists of an independent Chair (external), an external member and one senior Audit Office staff member. The activities of the ARC are discussed in Section B.5 ‘Internal audit’.

The Audit Office has internal review processes that provide assurance that financial and performance audits are performed in accordance with the relevant auditing standards and better practices. The review processes for performance and financial audits are discussed under Section B.2.9 ‘Monitoring and improving the quality of performance audit work’ and Section B.2.15 ‘Improving the quality of financial audit work’.

## B.1.6 Strategic and organisational planning

The Audit Office's future corporate direction, planned outcomes and objectives are set out in the [Strategic Plan 2023-2026](#) (Strategic Plan). The Strategic Plan provides a means of ensuring that management and staff share a common view about the Audit Office's objectives and areas of responsibility. It is supported by reporting mechanisms for financial audit, performance audit and professional services activities and monitored regularly by the Executive Committee.

## B.1.7 Executive remuneration

Executive remuneration is determined by the ACT Remuneration Tribunal and under the *ACT Remuneration Tribunal Act 1995* and under other relevant laws and instruments, such as the *Public Sector Management Act 1994* and the *Public Sector Management Standards 2016*. The Tribunal's Determinations are available from the [ACT Remuneration Tribunal](#) website.

Information on the remuneration of executives in the Audit Office is provided in Note 9 'Related Parties' in Section C.2 'Financial Statements'.

### Further information can be obtained from:

Ms Caroline Smith, Chief Operating Officer, Professional Services on telephone number (02) 6207 7829 or email [Caroline.Smith@act.gov.au](mailto:Caroline.Smith@act.gov.au).

## B.2 Performance analysis

### B.2.1 Audit Office objectives

The Audit Office strategic direction is based on the *Auditor-General Act 1996* (A-G Act) and is set out in its [Strategic Plan 2023-2026](#) (Strategic Plan).

Under paragraph 12(2)(b) of the *Financial Management Act 1996*, the requirement imposed on directorates to have performance criteria (i.e. accountability indicators) does not apply to the Audit Office. While the Audit Office is not required to have strategic or accountability indicators, it does so as better practice. Each year, the Audit Office also:

- advises the Speaker of the ACT Legislative Assembly and the Standing Committee on Public Accounts and Administration (PAAC) of its planned levels of performance by reference to specific accountability indicators and related targets; and
- prepares a Statement of Performance which compares the Audit Office's actual performance to planned levels of performance. This statement is independently reviewed by the external auditor engaged by the Speaker and is included in the Audit Office's annual report.

The following sections describe performance based on financial results, data from the Statement of Performance and qualitative information relating to the Audit Office's Strategic Plan.

## B.2.2 Financial results of the ACT Audit Office

In 2024-25, income (\$11.697 million) largely consisted of financial audit fees (\$7.155 million) and appropriation (\$4.220 million); expenses (\$12.276 million) largely comprised of employee expenses (\$8.946 million) and supplies and services costs (\$3.313 million).

The Audit Office made an operating deficit of \$0.579 million in 2024-25 compared to the budgeted operating surplus of \$0.018 million and an operating surplus of \$0.052 million in 2023-24. The operating deficit is primarily due to higher expenses for employees and contractors partially offset by higher income mainly from financial audit fees.

Further information on the Audit Office's financial results is provided in Section C.1 'Financial management analysis.'

## B.2.3 Performance audits

Performance audits are a key activity of the Audit Office. They seek to promote public accountability in the public administration of the Territory by providing the ACT Legislative Assembly and broader ACT community with an independent assessment of the management of public resources and delivery of services. Performance audits also identify areas where public administration and services could be improved and usually include recommendations that address identified issues.

In feedback surveys received by the Audit Office in 2024-25, most auditees advised that they were satisfied with the way performance audits were conducted. Auditees' comments were mostly positive and indicated satisfaction with the Audit Office's professional and constructive approach. A small number of survey responses indicated that there was scope for improving the Audit Office's approach to audits. The Audit Office has closely examined this feedback and addressed concerns, where possible.

The Audit Office continues to identify opportunities to reinforce and enhance the impact of performance audits. It does this by:

- providing briefings to the PAAC (and other committees of the Assembly) on completed audits and participating in public inquiries into performance audit reports;
- preparing Insights publications, the purpose of which is to provide another mechanism for the identification and dissemination of key insights arising from the conduct of performance audits; and
- preparing a report for the PAAC and Standing Committee on the Integrity Commission and Statutory Office Holders on agencies' reporting on the implementation of recommendations made in performance audits.

In 2024-25, the Audit Office also improved the user-friendliness of its website listing of performance audit (and other) reports to make the reports more identifiable and accessible to stakeholders.

## B.2.4 Meeting targets

Table B-3: Accountability indicators for performance audits

Accountability indicators	2024-25 Target	2024-25 Actual Result	Variance from Target
Number of reports, including performance audit and limited assurance, presented to the ACT Legislative Assembly	9	10	11%
Average period of completion of performance audits	11 months	11.9 months	8%
Percentage of agencies satisfied with performance audits	95%	83%	(13%)
Percentage of agencies agreeing that the performance audit will help their organisation improve administration of the audited activity	80%	92%	15%

## B.2.5 Performance audit reports and other reports tabled in 2024-25

Nine performance audit reports and one information report were tabled in the ACT Legislative Assembly in 2024-25. This is an increase from the number of reports tabled in 2023-24.

The performance audit reports tabled in 2024-25 were:

- [Business Transformation Program ICT renewal activities](#) (Report No. 6/2024)
- [Reusable Facility Services Procurement](#) (Report No. 7/2024)
- [Safer Families Levy](#) (Report No. 10/2024)
- [Governing boards of selected ACT Government entities](#) (Report No. 11/2024)
- [Invoicing and Payments for Digital Health Record Hosting Services](#) (Report No. 13/2024)
- [Facilities management and support services for ACT Courts](#) (Report No. 14/2024)
- [Management of the Growing and Renewing Public Housing Program](#) (Report No. 1/2025)
- [Energy efficiency standard for rental properties](#) (Report No. 2/2025)
- [Gaming machine licensee regulation](#) (Report No. 4/2025)

The information report tabled in 2024-25 was:

- [ACT Government long-term plans and strategies](#) (Report No. 3/2025)

## B.2.6 Planning for performance audits

The Audit Office has robust planning, research, consultation and topic selection processes for the annual performance audit program.

The Audit Office develops the annual performance audit program having regard to its mandate, Strategic Plan and the interests of the ACT Legislative Assembly and the ACT community.

The performance audit program aims to balance coverage across ACT Government agencies and focus on topics that are of interest to the ACT Legislative Assembly, stakeholders and the broader ACT community.

In developing the annual performance audit program the Audit Office consults with the PAAC, other committees of the Legislative Assembly, the Speaker and Members of the Assembly, the Head of Service, directors-general and chief executives of ACT Government directorates and agencies, statutory office holders of various ACT government agencies, audit committee representatives and community and stakeholder organisations.

The [2025-26 Performance Audit Program](#) was published on 23 June 2025. It identifies areas of public administration that could be the subject of audit attention for 2025-26 and future years.

The performance audit program is flexible and responsive to new and emerging issues, including those identified from representations from the ACT Legislative Assembly or broader ACT community.

## **B.2.7 Timeliness of performance audits**

The average time taken to complete performance audits in 2024-25 was 11.9 months. This exceeded the targeted completion timeframe of 11.0 months.

In 2024-25, three of the nine audits were completed within the targeted completion timeframe of 11.0 months. A further three audits were completed in less than 13 months and another two audits were completed in under 17 months. One audit took 21.2 months to complete.

Reasons for exceeding the target time varied according to the audit. Some audits were much more complex and larger in scope than others. Some required considerably more time and effort to consult with a wide variety of internal and external stakeholders, including throughout the reporting process. Audits may also be impacted by factors not within the control of the audit team and Audit Office.

The Audit Office continues to look for ways to improve the timeliness of audits and build resilience into the audit process, including using contractors and subject matter experts to support audit teams to deliver audits.

### **B.2.7.1 Comparison with other jurisdictions**

While a comparison with other jurisdictions is provided, it should be interpreted with caution as variations are likely to be due to jurisdictional differences such as legislative mandate and operational context. As a result, the costs and timeliness of audits will vary.

## Timeliness

The Audit Office's average period of completion of performance audits in 2024-25 of 11.9 months compares to the average of 11.9 months for all state and territory audit offices in Australia.

## Cost

The Audit Office's average cost per performance audit for 2024-25 was \$290 810. This was a decrease of 17.1 percent on the 2023-24 average of \$350 776. In 2024-25, the average cost of a performance audit for all state and territory offices in Australia was \$447 342.

The decrease in the cost of performance audits is due to a number of factors, including the conduct of some very specific and focused audits, which resulted in decreased staffing and contractor costs.

## B.2.8 Performance audit methods and practices

### PAMPr

Performance Audit Methods and Practices (PAMPr) is the Audit Office's methodology for the conduct of performance audits.

The use of PAMPr contributes to compliance with relevant auditing standards and consistency in Audit Office practice.

In 2024-25 PAMPr was reviewed and updated to ensure consistency with the revised *ASAE 3500 – Performance Engagements*.

### Caseware

PAMPr has been incorporated into the Audit Office's audit document management system, Caseware. This contributes to compliance with relevant Australian Auditing Standards and consistency in Audit Office practice.

In 2024-25, the Audit Office continued to use Caseware for the management and documentation of performance audits with updates to Caseware template and tools undertaken as necessary.

## B.2.9 Monitoring and improving the quality of performance audit work

The Audit Office seeks to improve the quality of its performance audits by undertaking independent:

- engagement quality reviews, sometimes referred to as ‘hot’ reviews as they involve a review of key judgements used in audit work, with review observations addressed before the audit is completed; and
- inspections of completed engagements, sometimes referred to as ‘cold’ reviews. These involve a comprehensive review of audit work after the audit has been completed.

### Engagement quality reviews

All audits completed in 2024-25 were subject to an engagement quality review by a person independent of the audit team. These reviews sought to provide assurance that the:

- performance audit report conclusions were supported by audit findings;
- audit findings were supported by sufficient and appropriate evidence; and
- audit work was subjected to an appropriate level of review.

Findings relating to individual audits were addressed prior to the tabling of reports in the ACT Legislative Assembly.

### Inspections of completed engagements (formerly quality assurance reviews)

Inspections of completed engagements are comprehensive reviews of audit files which primarily focus on whether the audits were conducted in accordance with the Audit Office’s performance audit methods and practices. Additionally, these inspections assess the implementation of any similar matters identified from previous reviews. These inspections are undertaken and finalised after an audit has been completed.

In 2024-25, inspections of completed engagement were conducted on two performance audits tabled in 2023-24. The reviewer concluded that the performance audits complied with the Office’s performance audit methods and practices and included appropriate audit evidence to support their findings and conclusions.

In 2024-25, the Audit Office continued its arrangement with Audit Tasmania and the Audit Office of South Australia to conduct these inspections. Through these arrangements the Audit Office:

- was subject to reviews by Audit Tasmania; and
- conducted reviews of the Audit Office of South Australia.

The arrangements allow for cross-jurisdictional knowledge and practice-sharing and fostering of relationships across the offices.

## B.2.10 Additional reports and communication activities

In 2024-25, the Audit Office continued to identify opportunities to reinforce and enhance the impact of performance audits and engage with key audit stakeholders. It has sought to do this by:

- preparing Insights publications;
- hosting roundtable information sessions with stakeholders; and
- preparing a report for the PAAC and Standing Committee on the Integrity Commission and Statutory Office Holders on agencies' reporting on the implementation of recommendations made in performance audits.

### Insights publications

Two Insights publications were published in 2024-25:

- [Insights on managing large, multi-year service delivery agreements](#) (December 2024)
- [Insights on program management](#) (June 2025)

The Insights publications draw on findings and observations made in recently conducted performance audits. They summarise key messages from the Auditor-General in relation to the audits.

### Information sessions

The Audit Office hosted two roundtable information sessions to facilitate engagement with representatives from directorates and agencies:

- in November 2024, a roundtable information session was held with stakeholders from internal audit and governance functions across ACTPS directorates and agencies. The information session discussed the new *Introduction to Performance Audit* information publication, which seeks to provide information on the performance audit process, and planning for the 2025-26 Performance Audit Program. The session was attended by 19 representatives; and
- in June 2025, a roundtable information session was held for executives and senior managers from business areas expected to be the subject of performance audits in 2025-26. The session provided information on the selection of performance audit topics, the role and function of the Audit Office and the Auditor-General, the role of executives and senior managers in a performance audit and communication expectations between auditee agencies and the Audit Office. The session was attended by 26 representatives.

### Recommendations Observation Report

The Audit Office provided a Recommendations Observation Report to the PAAC and Standing Committee on the Integrity Commission and Statutory Office Holders in February 2025. The report included observations on agencies' reporting on the implementation of performance audit report recommendations.

The report focused on performance audit reports tabled since October 2021. The review focused on how recommendations in these reports were reported in agencies' 2022-23 annual reports.

The purpose of the review was to provide the committees with information on:

- agencies' reporting of progress in the implementation of recommendations made in performance audit reports; and
- the transparency with which this information is conveyed.

**Further information can be obtained from:**

Mr Brett Stanton, Assistant Auditor-General, Performance Audit on telephone number (02) 6207 9534 or email [Brett.Stanton@act.gov.au](mailto:Brett.Stanton@act.gov.au).

## **B.2.11 Financial Audits**

The Audit Office provides auditor's reports on financial statements of ACT Government directorates, authorities and Territory owned corporations. Most financial statements audits are required by the *Financial Management Act 1996* or *Corporations Act 2001* with a small number of audits such as grant acquittals and land joint venture audits performed under other requirements.

The Audit Office also issues limited assurance reports for limited assurance engagements performed on statements of performance for ACT Government directorates and authorities as required by the *Financial Management Act 1996*.

ACT Government agencies are required to include auditor's reports and limited assurance reports in their annual reports along with the financial statements and statement of performance that have been examined by the Audit Office. These reports are issued in accordance with the Australian Auditing Standards and include an independent opinion on whether information reported in financial statements and statements of performance are fairly presented.

The results and findings from the Office's work on financial statements audits and limited assurance engagements on statements of performance are summarised in the following reports published on the Office's website:

- [2023-24 Financial Audits – Overview](#) (Report No. 9/2024)
- [2023-24 Financial Audits – Financial Results and Audit Findings](#) (Report No. 12/2024)

## B.2.12 Meeting targets

**Table B-4: Accountability indicators for financial audits**

Accountability indicators	2024-25 Target	2024-25 Actual Result	Variance from Target
Number of auditor’s reports issued on financial statements and compliance auditor’s reports	59	60	2%
Number of limited assurance reports issued on statements of performance	30	30	0%
Percentage of agencies satisfied with financial audits and compliance audits	95%	100%	5%
Percentage of agencies satisfied with the potential for financial audit findings and/or recommendations to improve their financial reporting, governance or internal controls	80%	100%	25%
Percentage of financial audits completed within the required timetable	100%	98%	2%
Presentation of the summary reports on financial audits to the ACT Legislative Assembly			
<ul style="list-style-type: none"> <li>Financial Audits – Overview</li> </ul>	Nov 2024	Nov 2024	0%
<ul style="list-style-type: none"> <li>Financial Audits – Financial Results and Audit Findings</li> </ul>	Dec 2024	Dec 2024	0%

Overall, the Audit Office performed well against all its financial audit accountability indicators in 2024-25. More details on these indicators are disclosed in Section C.6 ‘Statement of Performance’.

## B.2.13 Improving reporting

Each year, the Audit Office works with agencies to improve their financial and performance reporting processes and practices with the aim of assisting them to publish high quality financial statements and statements of performance in their annual reports.

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) issues financial reporting guidance and policies to agencies. CMTEDD consults with the Audit Office to address any significant matters before issuing these to agencies. This consultation process provides increased assurance that reporting agencies using this guidance material will comply with Australian Accounting Standards and other reporting requirements. This also facilitates an efficient and effective review process as it allows for any amendments to be made to the guidance and policies before it is implemented by the reporting agencies.

Reporting agencies also consult with the Audit Office to gain its views on complex accounting and reporting matters on their financial statements or statements of performance. This consultation process reduces the risk of:

- modified reports on financial statements<sup>1</sup> or statements of performance<sup>2</sup>;
- errors or misstatements in financial statements or statements of performance; and/or
- agencies not complying with legislative reporting deadlines.

The Audit Office may use subject matter experts to assist in its review of accounting and reporting practices used by agencies. The Audit Office is more likely to use a subject matter expert where the:

- Audit Office assesses that it does not have sufficient internal expertise; and/or
- transactions and arrangements are significant and complex or will have a significant financial impact over several years.

Subject matter experts include accounting, auditing, information technology, tax, and actuarial experts.

## **B.2.14 Financial Audit Webinar**

The Audit Office held its Financial Audit Webinar (Webinar) on 5 March 2025.

The Webinar was opened by the Chair of the PAAC and was well attended by representatives of reporting agencies involved in the preparation of financial statements, statements of performance and annual reporting process. This included Chairs of audit and risk committees and Chairs of governing boards.

The Webinar provided attendees with information on:

- key updates and messages for 2024-25, including results and findings from the prior year's audits, changes to key audit correspondence, information on how errors are assessed and reported, and key audit contacts;
- whole-of-Government reporting requirements and timetable;
- requirements relating to the consideration of fraud, going concern and fair value, and upcoming changes from accounting standards to presentation and disclosure requirements for future reporting periods;
- audit focus areas for 2024-25, including asset revaluations, restructure of administrative arrangements, and the satisfactory receipt of goods and services;

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<sup>1</sup> A modified auditor's report is issued where the Audit Office disagrees with management about reported amounts or disclosures or has been unable to gain sufficient evidence, or perform sufficient work, to form an opinion in relation to the information reported in the financial statements.

<sup>2</sup> A modified limited assurance report will be issued where a reported result of an accountability indicator is not accurate or cannot be independently verified.

- changes to the model financial statements and new or updated ACT Government accounting policies issued by the Chief Minister, Treasury and Economic Development Directorate; and
- updates for the internal audit function and the impacts for agencies.

Overall, attendees provided favourable feedback on the Webinar.

## **B.2.15 Improving the quality of financial audit work**

Reviews of audit work are performed on all financial audits. These reviews provide assurance that audit work has been properly planned and performed under the Australian Auditing Standards and in accordance with the Audit Office's financial audit methodology. This means that sufficient evidence has been obtained to support the opinions provided in auditor's reports on financial statements and limited assurance reports on statements of performance. These reviews are performed by experienced senior members of the audit team and they also provide feedback to improve the skills and competencies of less experienced team members.

In addition to team-based reviews, quality review activities are performed by experienced quality reviewers independent of the audit team in accordance with the Audit Office's *Quality Management Framework*. These reviews comprise of engagement quality reviews and inspections of completed engagements.

### **Engagement quality reviews**

Financial audits assessed as high-risk engagements are subject to an engagement quality review as the audits progress. The engagement quality reviewer assesses if significant judgements made and conclusions reached by the audit team are appropriate by reviewing key documentation. Any matters identified from these reviews are discussed with the audit team and addressed prior to the completion of the financial audits.

### **Inspections of completed engagements (formerly quality assurance reviews)**

The inspections of completed engagements are comprehensive reviews primarily focusing on whether the selected financial audits were conducted in accordance with the Audit Office's financial audit methodology and Australian Auditing Standards. The inspections also assess the implementation of any similar matters identified from previous inspections and engagement quality reviews. These inspections are undertaken and finalised after the audit has been completed.

During 2024-25, inspections of completed engagements of selected financial audit files were conducted by independent reviewers. Overall, the reviews concluded that there was sufficient and reliable audit evidence in the financial audit files reviewed to demonstrate compliance with the Audit Office's financial audit methodology and Australian Auditing Standards. A few areas for improvement were identified during the inspections.

To provide assurance that observations and recommendations from inspections lead to continuous improvements in the quality of financial audit work, the Audit Office:

- updates its audit templates to reflect improved or better practices;
- provides guidance to staff through training on these matters;
- ensures that internal reviews by senior audit team staff focus on the implementation of these matters as part of their review of the audit files; and
- confirms through future reviews that these matters have been sufficiently addressed.

## B.2.16 Comparison with other jurisdictions

While a comparison with other jurisdictions is provided, it should be interpreted with caution as variations are likely due to jurisdictional differences such as legislative mandate and operational context. As a result, the costs and timeliness of audits will vary.

### Cost

The Audit Office's average cost per opinion issued on financial statements and statements of performance in 2024-25 was \$94 780 compared to the average cost per opinion for all state and territory audit offices in Australia of \$118 652.

### Timeliness

The Audit Office issued 96 percent of its auditor's reports on financial statements within three months of the end of the reporting period compared to the average of 61 percent for all state and territory audit offices in Australia.

#### Further information can be obtained from:

Mr Ajay Sharma PSM, Assistant Auditor-General, Financial Audit on telephone number (02) 6207 0830 or email [Ajay.Sharma@act.gov.au](mailto:Ajay.Sharma@act.gov.au).

## B.3 Scrutiny

### B.3.1 ACT Legislative Assembly inquiries and reports

Mechanisms for scrutinising the Audit Office's performance are provided by the *Annual Reports (Government Agencies) Act 2004*, the *Auditor-General Act 1996* (A-G Act) and engagement with the Standing Committee on Public Accounts and Administration (PAAC). The Audit Office's annual reports, which include the Audit Office's audited financial statements and statement of performance, are examined by the ACT Legislative Assembly's Estimates Committee and the PAAC.

The Audit Office's work is also subject to scrutiny and commentary by auditees, the general community and the media. Performance audit reports are tabled in the ACT Legislative Assembly by the Speaker, thereby being made public; they are also referred to the PAAC. The PAAC examines audit reports and may hold public inquiries into them.

The Audit Office offers to brief the PAAC on all performance and financial audit reports and gives evidence to public inquiries at the request of the PAAC.

The following Audit Office reports of 2024-25 and the PAAC's decision on whether to hold further inquiry is shown as follows:

- [Business Transformation Program ICT renewal activities](#) (Report No. 6/2024)
- [Reusable Facility Services Procurement](#) (Report No. 7/2024)
- [2023-24 Financial Audits – Overview](#) (Report No. 9/2024) (no further inquiry)
- [Safer Families Levy](#) (Report No. 10/2024) (subject to inquiry – 2 July 2025)
- [Governing boards of selected ACT Government entities](#) (Report No. 11/2024) (no further inquiry)
- [2023-24 Financial Audits – Financial Results and Audit Findings](#) (Report No. 12/2024) (no further inquiry)
- [Invoicing and Payments for Digital Health Record Hosting Services](#) (Report No. 13/2024) (subject to inquiry – 2 July 2025)
- [Facilities management and support services for ACT Courts](#) (Report No. 14/2024) (no further inquiry)
- [Management of the Growing and Renewing Public Housing Program](#) (Report No. 1/2025) (decision pending)
- [Energy efficiency standard for rental properties](#) (Report No. 2/2025) (decision pending)
- [ACT Government long-term plans and strategies](#) (Report No. 3/2025) (decision pending)
- [Gaming machine licensee regulation](#) (Report No. 4/2025) (decision pending)

## B.3.2 Reports of the Ombudsman

The Audit Office is not a prescribed authority under the *Ombudsman Regulation 1989* made under the *Ombudsman Act 1989*. This means the Audit Office does not fall under the ACT Ombudsman's jurisdiction.

### Further information can be obtained from:

Ms Caroline Smith, Chief Operating Officer, Professional Services on telephone number (02) 6207 7829 or email [Caroline.Smith@act.gov.au](mailto:Caroline.Smith@act.gov.au).

## B.4 Risk management

### B.4.1 Risk management

The Audit Office's risk management framework is based on the risk management standard AS ISO 31000:2018. It includes a *Risk Management Policy and Plan*, Risk Registers, a *Fraud and Corruption Prevention Plan* and a *Business Continuity Policy and Plan* and is supported by a comprehensive suite of other policies and procedures.

The Audit Office's Risk Registers comprise a Strategic Risk Register, Operational Risk Registers for the Office's three branches, an Integrity Risk Register, a Finance Risk Register and a Work Health and Safety Risk Register. The Audit Office's Risk Manager is responsible for monitoring and reporting on the Audit Office's risk management framework. The Risk Manager provides a bi-annual Risk Management Report to the Audit Office's Executive Committee and Audit and Review Committee.

The Business Continuity Plan was tested in April 2025, facilitated by an independent risk management consultant. The crisis management team carried out a scenario-based exercise and the consultant assessed how the team responded to the exercise.

The ACT Protective Security Framework (ACT PSF) replaces the ACT Protective Security Policy Framework and provides guidance for security risk management and managing the security of people, information and assets. The Audit Office is not obliged to complete ACT PSF baseline reporting; however, the Audit Office will report to the Audit and Review Committee and Executive Committee on the Audit Office's security capabilities using the ACT PSF guidance.

The Executive Committee has overall responsibility for overseeing risk management in the Audit Office. This Committee is also the Audit Office's Security Committee and monitors the Office's register of risks including security risks and their mitigation.

**Further information can be obtained from:**

Ms Caroline Smith, Chief Operating Officer, Professional Services on telephone number (02) 6207 7829 or email [Caroline.Smith@act.gov.au](mailto:Caroline.Smith@act.gov.au).

## **B.5 Internal audit**

### **B.5.1 Audit and Review Committee**

The Audit and Review Committee (ARC) operates in accordance with its charter; it provides assurance and assistance to the Auditor-General on the Audit Office's risk, control and compliance framework and its external accountability responsibilities.

In particular, the ARC assists the Auditor-General in discharging his responsibilities for: exercising due care, diligence and skill in relation to the Audit Office's financial and risk management; adequacy of internal controls; application of accounting policies; compliance with applicable laws; and reporting of financial information. The ARC also supports the Auditor-General in maintaining an ethical culture within the Audit Office.

Details of the membership of the Committee and meetings attended by its members in 2024-25 are provided in Table B-5.

**Table B-5: Audit and Review Committee**

<b>Name</b>	<b>Position</b>	<b>External/ Internal</b>	<b>Duration</b>	<b>No. of meetings attended in 2024-25</b>
Ms Moira Crowhurst	Independent Chair	External	March 2023 to March 2025 Reappointed March 2025 to March 2026	5
Ms Michelle Page	Member	External	May 2024 to May 2026	5
Mr Jaynesh Parbhu	Member	Internal	July 2024 to June 2026	5

One member of the ARC is remunerated.

The Auditor-General and the Chief Audit Executive (CAE) (Chief Operating Officer, Professional Services) have a standing invitation to attend all ARC meetings as observers.

The main activities of the ARC in 2024-25 were:

- reviewing and endorsing the Audit Office’s financial statements and statement of performance;
- overseeing internal audit and assurance activities and the Audit Office’s implementation of recommendations from previous internal audits and other reviews;
- monitoring progress for procuring a service provider to address internal audit quality assurance recommendations and delivery of a new internal audit strategy and four-year internal audit program;
- reviewing the Audit Office’s compliance with key legislation and the effectiveness of the systems for monitoring compliance with key legislative obligations; and
- monitoring the Audit Office’s risk management, fraud control and financial management activities through regular reports from the Audit Office’s Risk Manager, Senior Executive Responsible for Business Integrity Risk (SERBIR) and Chief Finance Officer.

### **B.5.1.1 Internal Audit**

One internal audit was completed during 2024-25.

External provider, Shilo.People, was engaged to conduct a review of the Audit Office’s Professional Development Framework. Shilo.People evaluated the effectiveness of the

Framework and made seven recommendations; the Office's Executive Committee agreed to all seven.

**Further information can be obtained from:**

Ms Caroline Smith, Chief Operating Officer, Professional Services on telephone number (02) 6207 7829 or email [Caroline.Smith@act.gov.au](mailto:Caroline.Smith@act.gov.au).

## B.6 Fraud prevention

The Audit Office has a suite of policies in place to minimise the risk of fraud and corruption. The key policies for the management of fraud and corruption risks are the:

- *Integrity Code*;
- *Fraud and Corruption Prevention Plan*; and
- *Positive Workplace Culture Policy and Procedures*.

Other relevant policies and procedures include the *Protective Security – Physical Security Policy*; *Asset Management Policy*; *Acceptable Use of ICT Resources Policy*; *Privacy of Information Policy*; and *Personnel Delegations*. Staff are made aware of these policies and new staff are introduced to them as part of induction training.

### B.6.1 Integrity Code

The Audit Office's *Integrity Code* provides guidance on the conduct expected of staff in the performance of their responsibilities and in doing so:

- aligns the content of the Code with the Audit Office's Values;
- provides guidance with respect to external employment and gifts, benefits and hospitality;
- comprehensively documents, and make explicit through document links, conflict of interest declarations for specific processes; and
- outlines requirements for the *Annual Declaration – Ethical and independence related responsibilities*, as required by the Audit Office's *Quality Management Framework*.

### B.6.2 Integrity Risk Register

Integrity risks, including fraud and corruption risks, have been identified for the purpose of an Integrity Risk Register. Risks on the Integrity Risk Register are reviewed every six months, with a view to identifying whether:

- any new risks need to be added;
- the existing risk ratings remain appropriate; and
- the identified controls continue to be effective.

The risks on the Integrity Risk Register inform the development of the *Fraud and Corruption Prevention Plan*.

The Integrity Risk Register identifies 13 fraud and corruption-related risks (10 medium-rated risks and three low-rated risks) for which existing controls have been identified as Adequate. The Office's 13 fraud and corruption-related risks are categorised as follows:

- financial management and administration;
- leave management and time recording;
- recruitment;
- procurement and contracting; and
- theft and misuse of data.

### **B.6.3 Fraud and Corruption Prevention Plan**

The *Fraud and Corruption Prevention Plan* includes:

- a Fraud and Corruption Policy Statement that encapsulates the key points conveyed in the Plan;
- descriptions of roles and responsibilities;
- information and guidance to highlight the importance of ethical culture and behaviour as the key control to fraud and corruption prevention; and
- emphasis on the linkage between the Audit Office's Integrity Risk Register and its input into the Plan.

### **B.6.4 Senior Executive Responsible for Business Integrity Risk**

The Assistant Auditor-General, Performance Audit is the Senior Executive Responsible for Business Integrity Risk (SERBIR). The SERBIR gives presentations to Audit Office staff at staff meetings and in doing so discusses Audit Office integrity and the responsibility of all staff to identify and report any concerns they might have with respect to unethical or inappropriate behaviour. Any revisions and updates to the Audit Office's policies and procedures are also promoted and discussed at All Staff Meetings.

The SERBIR also provides a twice-yearly report to the Audit Office's Audit and Review Committee, which focuses on:

- the status of integrity and fraud and corruption prevention policy and procedural guidance in the Audit Office - this guidance is an important means of control for business integrity risk;
- staff training and awareness raising activities that have been conducted;
- any incidents that have been reported or identified and investigations undertaken in the previous six months;
- the Audit Office's Integrity Risk Register, identifying integrity and fraud-related risks and sources of assurance with respect to existing controls; and
- any integrity and fraud risks and challenges that have been identified for the forthcoming six months.

No fraudulent or corrupt activity was identified or reported during 2024-25.

**Further information can be obtained from:**

Mr Brett Stanton, Senior Executive Responsible for Business Integrity Risk on telephone number (02) 6207 9534 or email [Brett.Stanton@act.gov.au](mailto:Brett.Stanton@act.gov.au).

## **B.7 Freedom of information**

The ACT Freedom of Information (FOI) legislation, the *Freedom of Information Act 2016* (FOI Act) provides a legal right of access by everybody to information in the possession of the ACT Government, subject only to exemptions to protect the public interest, and the interests of third parties who deal with the ACT Government.

### **B.7.1 Open access information**

During the period 1 July 2024 to 30 June 2025 the Audit Office:

- published two documents on the Open Access website;
- did not make any decisions to withhold Open Access Information; and
- did not make any decisions not to publish a description of Open Access Information that was withheld.

### **B.7.2 FOI applications received and decision type**

During the period 1 July 2024 to 30 June 2025 the Audit Office:

- did not receive any access applications;
- did not receive any applications where access to all information requested was given;
- did not receive any applications where access to only some of the information requested was given (partial release); and
- did not receive any applications where access to the information was refused.

### **B.7.3 FOI processing timeframe**

During the period 1 July 2024 to 30 June 2025 the Audit Office did not receive any applications.

### **B.7.4 Amendment to personal information**

During the period 1 July 2024 to 30 June 2025 the Audit Office did not receive any requests to amend personal information.

### **B.7.5 Reviews and fees**

During the period 1 July 2024 to 30 June 2025 there were:

- no applications made to the Ombudsman under section 74 of the FOI Act;
- no applications made to ACAT under section 84 of the FOI Act; and

- no charges or application fees were collected.

## B.7.6 Process to lodge a request

To lodge a request for access to documents under the FOI Act, you must do so in writing, noting that you are seeking access under the FOI Act.

To lodge a Freedom of Information request, or for further information about FOI legislation and processes, contact the FOI Coordinator for the Audit Office at:

<https://www.audit.act.gov.au/contact-us>.

The Audit Office FOI Disclosure log and Open Access Information Strategy can be accessed at: <https://www.audit.act.gov.au/about-us/access-to-information>

### Further information can be obtained from:

Ms Sandra Avila, acting Freedom of Information Coordinator on telephone number (02) 6207 9452 or email [Sandra.Avila@act.gov.au](mailto:Sandra.Avila@act.gov.au).

## B.8 Community engagement and support

### B.8.1 Community engagement activities

As described in Section B.2.3 'Performance audits', the Audit Office has robust planning, consultation and topic selection processes for the annual performance audit program. Community views are received through consultation with key community groups and other representative bodies, the Standing Committee on Public Accounts and Administration (PAAC), the Standing Committee on Integrity Commission and Statutory Office Holders and Members of the ACT Legislative Assembly (MLAs).

The performance audit program is also informed by representations received directly from community groups or individual members of the community or MLAs. In 2024-25, the Audit Office received 16 unsolicited representations. Information received from the community through representations is used to inform the development of the performance audit program and selection of topics.

The Audit Office also received feedback from MLAs directly in response to an invitation to provide input into the development of the performance audit program.

### B.8.2 Community support initiatives: Grants and sponsorship

The Audit Office did not provide any grants, assistance or sponsorship programs during 2024-25.

## B.9 Aboriginal and Torres Strait Islander reporting

Public sector entities are required to report annually on their progress under both the *ACT Aboriginal and Torres Strait Islander Agreement 2018-2028* and the *National Agreement on Closing the Gap*. While the Auditor-General does not have any specific obligations under either agreement, the Audit Office endeavours to recognise and report on issues relevant to Aboriginal and Torres Strait Islander communities through its performance audit program.

## B.10 Disability Inclusion Act 2024 Reporting

Public sector entities are required to report on their progress and measures taken to support the development and implementation of Disability Inclusion Strategies and Disability Inclusion Plans. While the Auditor-General is not required to report under the *Disability Inclusion Act 2024*, the Audit Office supports and promotes disability inclusion.

The Audit Office fosters a respectful and safe workplace that values diversity and offers reasonable adjustments during recruitment and employment, including assistive technologies and flexible work arrangements. It is also committed to ensuring that all reports it publishes are available in accessible formats and that its website aligns with the Web Content Accessibility Guidelines.

A performance audit of ACT Public Services diversity, equity and inclusion practices is underway and will be tabled in 2025-26. This audit will provide an independent opinion on the effectiveness of: the Chief Minister, Treasury and Economic Development Directorate's activities to develop whole-of-government frameworks, strategies and plans for diversity, equity and inclusion and support ACT Government agencies to implement them; and the activities of a selection of ACT Government agencies to recognise and implement relevant diversity, equity and inclusion principles at key stages of the employment lifecycle.

## B.11 Multiculturalism Act 2023 Reporting

Public sector entities are required to report on their work to promote multiculturalism. While the Auditor-General is not required to report under the *Multiculturalism Act 2023*, the Audit Office supports and promotes multiculturalism through its *Positive Workplace Place Culture Policy and Procedures*, recruitment processes and Social Committee activities.

## B.12 Period Products and Facilities (Access) Act Reporting

The Audit Office is committed to providing information to its staff about Menstruation and Menopause Leave and flexible working arrangements.

The Audit Office's staff have access to appropriate toilets, sanitary waste disposal and handwashing facilities in a way that respects the dignity of the person in the workplace.

## B.13 Work health and safety

The Audit Office is committed to providing a safe and healthy work environment and encourages all staff to contribute to a safe and healthy workplace.

The Audit Office's *Workplace Health and Safety Policy and Procedures* and *Positive Workplace Culture Policy and Procedures* are readily accessible to all staff.

In 2024-25, no enforceable undertaking and improvement, prohibition, or non-disturbance notices were issued to the Audit Office under the parts 10 or 11 of the *Work Health and Safety Act 2011*.

There were no accidents or dangerous occurrences in 2024-25 that required a notice under Part 3, section 38 of the *Work Health and Safety Act 2011*.

### B.13.1 Workplace safety representatives

In 2024-25, the Audit Office workplace safety representatives consisted of:

- a Health and Safety Representative;
- two First Aid Officers;
- three Fire Wardens;
- two Respect, Equity and Diversity Officers;
- a Mental Health Champion; and
- a Designated Domestic and Family Violence Officer.

The workplace safety representatives play an active role in the Audit Office to promote health, safety and wellbeing to all staff.

### B.13.2 Workstation – staff practices and assessments

The administrative nature of audit work means that staff are often at workstations for prolonged periods of time. Staff are encouraged to implement healthy work practices such as improving posture and taking regular breaks from sitting and working at their computers. Workplace safety assessments are performed, including ergonomic workstation assessments in the office and at home, on an as needed basis.

New staff who joined the Audit Office in 2024-25 were offered an ergonomic assessment of their office workstations. Additionally, all staff received the 'Move More Work Well' information session in May 2025, which focused on healthy work habits and strategies to prevent and manage discomfort and pain.

### B.13.3 Health and well-being initiatives

Health and well-being initiatives for the Audit Office include:

- the Employee Assistance Program;
- flexible working arrangements, including agreed days of the week to work from home;

- free influenza vaccinations to all staff;
- mentoring/coaching;
- open door policy;
- improving hygiene levels and reducing the risk of illness with provision of suitable cleaning products, hand sanitisers and facial tissues;
- regular updates from the Mental Health Champion; and
- supporting Social Committee events including office wide celebrations and fundraising activities.

The Audit Office’s work programs and audit completion timeframes can place high demands on some staff at times. The Audit Office actively manages this by forward planning and sharing the workload amongst audit teams to minimise excessive periods of long hours.

The Audit Office provides flexible working arrangements and enables staff to plan their recreational, study and other leave to support a healthy work/life balance.

During 2024-25, most staff applied a flexible working arrangement to work from home for two to three days a week and were responsible for implementing healthy work practices at their home-work stations. Staff responsibilities included seeking advice and support from their supervisor and the Audit Office’s Professional Services team on any concerns about their ability to implement healthy work practices at home.

**Further information can be obtained from:**

Ms Caroline Smith, Chief Operating Officer, Professional Services on telephone number (02) 6207 7829 or email [Caroline.Smith@act.gov.au](mailto:Caroline.Smith@act.gov.au).

## B.14 Human resources management

### B.14.1 Workforce planning

At 30 June 2025, the Audit Office was close to finalising its *Workforce Planning and Review Policy and Guidelines* (Workforce Plan). The Workforce Plan will help the Office ensure it can meet its obligations by having the right people, in the right roles, with the right capabilities, at the right time.

The Audit Office’s challenge of continuing to maintain a workforce with the knowledge and experience required to deliver quality work is acknowledged in the Workforce Plan. In particular, the challenge of providing sufficient career opportunities in a small agency may impact the Audit Office’s ability to retain experienced staff.

In 2024-25, the Audit Office implemented three Attraction and Retention Incentive arrangements that provided additional remuneration to supplement a staff member’s salary as defined by the *ACT Public Sector Administrative and Related Classifications Enterprise Agreement 2023-26*. The Audit Office did not implement any other Special Employment Arrangement or other such instrument in 2024-25.

The Workforce Plan provides a framework for the continuous development of staff. Some of the mechanisms used by the Audit Office to facilitate this includes maintaining a Professional Development Journey, including a position capability framework, for each staff member. Staff Professional Development Journeys identify staff's confidence and growth opportunities against six capabilities, their learning and development needs and are a place to record regular feedback with supervisors.

## B.14.2 Forward work and human resource planning

To meet audit timetables, including legislated timelines, the Audit Office plans the allocation of staff to audits and other tasks. The Audit Office uses a forward planning schedule to organise its program of financial and performance audits, including meeting the higher demands of the peak financial audit period (from April to November each year).

The Audit Office considers the need for contracting staff or using consultants from the private sector or outsourcing all or part of an audit, particularly when the Audit Office does not have specialist skills required to complete the audit. The specialist skills often include information technology, actuarial and taxation expertise.

Financial and performance audit staff are assigned to assist in specific corporate tasks as needed. The Audit Office identifies opportunities for staff to undertake a variety of tasks, when possible.

### Further information can be obtained from:

Ms Caroline Smith, Chief Operating Officer, Professional Services on telephone number (02) 6207 7829 or email [Caroline.Smith@act.gov.au](mailto:Caroline.Smith@act.gov.au).

## B.14.3 Staffing profile

The Auditor-General is appointed as a full-time statutory office holder under the *Auditor-General Act 1996* (A-G Act). All other staff are employed under the *Public Sector Management Act 1994*.

There were 53 staff (headcount) in the Audit Office (including the Auditor-General) at 30 June 2025 (50.4 full-time equivalent (FTE) staff).

The Audit Office is not required to have a Gender Action Plan and conduct Gender Impact Assessment Reporting as the Audit Office's workforce comprises less than 100 staff. The small size of the Audit Office's workforce means that providing detailed information on some aspects of its workforce could infringe the privacy of individual staff. Therefore, the Audit Office has only provided general information on:

- the average length of service by gender and age group;
- the age profile of staff; and
- certain equity and diversity groups.

**Table B-6 Full time equivalent and headcount by division/branch**

Operational area	FTE	Headcount
Executive	3.8	4
Financial Audit	28.6	29
Performance Audit	12.0	14
Professional Services	6.0	6
<b>Total</b>	<b>50.4</b>	<b>53</b>

Source: Office of Industrial Relations and Workforce Strategy

While the overall data in Table B-6 was sourced from the Office of Industrial Relations and Workforce Strategy, the Audit Office applies internal arrangements such as staff temporarily acting in other roles and the use of resources across branches, which are not captured in the original dataset. Accordingly, the Audit Office has amended the branch-level data to more accurately reflect where staff were actually working at 30 June 2025. The total workforce figures provided by the Office of Industrial Relations and Workforce Strategy have not been changed, only how staff are allocated across branches has been adjusted.

**Table B-7 Full-time equivalent and headcount by gender**

	Female	Male	Non-binary	Total
Full-time equivalent	24.4	26.0	0	50.4
Headcount	26	27	0	53
Percentage of workforce (based on headcount)	49.1%	50.9%	0	100%

Source: Office of Industrial Relations and Workforce Strategy

**Table B-8 Headcount by classification and gender**

Classification	Female	Male	Non-binary	Total
Statutory office holders	0	1	0	1
Executives	1	2	0	3
Professional and administrative officers	25	24	0	49
<b>Total</b>	<b>26</b>	<b>27</b>	<b>0</b>	<b>53</b>

Source: Office of Industrial Relations and Workforce Strategy

**Table B-9: Headcount by employment category and gender**

Employment category	Female	Male	Non-binary	Total
Permanent full-time	21	22	0	43
Permanent part-time	3	1	0	4

Employment category	Female	Male	Non-binary	Total
Temporary full-time	1	4	0	5
Temporary part-time	1	0	0	1
Casual	0	0	0	0
<b>Total</b>	<b>26</b>	<b>27</b>	<b>0</b>	<b>53</b>

Source: Office of Industrial Relations and Workforce Strategy

## B.14.4 Workplace diversity

Staff who have advised they are from culturally and linguistically diverse backgrounds represent 49.1 percent of the workforce. No staff member has advised that they are Aboriginal and/or Torres Strait Islander. No staff have advised they have a disability.

## B.14.5 Age profile

Due to the small numbers in most categories, staff numbers by age group and gender are not reported in order to protect the privacy of individuals. The largest group, 64.2 percent of staff, are aged 44 or under and 35.8 percent of staff are aged 45 or over.

**Table B-10: Average length of service (years) by gender**

Gender	Female	Male	Non-binary	Average
Average length of service (years)	5.5	8.4	0.0	7.0

Source: Office of Industrial Relations and Workforce Strategy

**Table B 11: Recruitment and separation rates**

	Recruitment rate	Separation rate
Audit Office	15.3%	15.3%

Source: Office of Industrial Relations and Workforce Strategy

## B.14.6 Learning and development

The Audit Office's learning and development approach aims to build and develop capabilities, knowledge and skills to support the Audit Office to meet its audit responsibilities in an effective and efficient manner and the professional growth of its staff.

The Audit Office supports learning and development activities in relation to technical and professional needs of the Audit Office and its staff in key areas such as audit, accounting, information technology, leadership, communication, public sector matters and management skills.

The Audit Office has supported the following learning and development activities in 2024-25:

- formal training;

- mentoring;
- secondments;
- seminars/conferences;
- education courses;
- study assistance;
- coaching;
- on-the-job training; and
- professional memberships.

In addition, professional development and technical training were provided on financial and performance audit methods and practices; and changes to accounting and auditing standards. Maintaining and developing audit technical proficiency is a constant priority for staff's future learning and development requirements.

In 2024-25, the Audit Office also supported six staff through study assistance which included providing study leave and financial assistance for education course costs.

The Audit Office also encourages professional membership of relevant bodies, such as the Chartered Accountants Australia and New Zealand, Institute of Internal Auditors, CPA Australia or the Information Systems Audit and Control Association.

#### Further information can be obtained from:

Ms Caroline Smith, Chief Operating Officer, Professional Services on telephone number (02) 6207 7829 or email [Caroline.Smith@act.gov.au](mailto:Caroline.Smith@act.gov.au).

## B.15 Ecological sustainability reporting

The Audit Office accords with, and contributes to, the principles of ecological sustainable development under the *Climate Change and Greenhouse Gas Reduction Act 2010* and the *Environment Protection Act 1997*.

Staff are encouraged to assist in reducing the Audit Office's ecological footprint by:

- minimising the number of printed documents, particularly those in colour, and using duplex printing;
- recycling paper and cardboard;
- using electronic audit work papers;
- turning off lights and computer equipment and monitors when not in use; and
- using public transport and walking to the office and audit locations.

The Audit Office also uses:

- carbon neutral printing paper;

- toner cartridges that can be recycled; and
- a waste disposal system that separately disposes recyclable material and other non-recyclable material.

Ecologically sustainable development issues may also be considered as part of performance audits that focus on the delivery of public services.

**Table B-12: Audit Office staff and floor area**

Staff and area	Unit	2024-25	2023-24	Percentage change
Staff	FTE	50.4	55.3	(8.9%)
Workplace floor area	Area (m2)	617	617	0%

Source: Office of Industrial Relations and Workforce Strategy and Infrastructure Canberra (formerly known as ACT Property Group)

Table B-12 includes the workplace floor area occupied by full-time equivalent (FTE) staff employed at the end of each reporting period by the Audit Office.

The Audit Office had 50.4 FTE staff at 30 June 2025 compared to 55.3 FTE staff at 30 June 2024. The Audit Office occupies 617 square metres of the Nara Centre, 3 Constitution Avenue, Canberra.

**Table B-13: Sustainable development performance: Current and previous financial year**

Indicator at 30 June	Unit	2024-25	2023-24	Percentage change
<b>Stationary energy usage</b>				
Electricity use	Kilowatt hours	60 971	58 663	4%
Natural Gas use (non-transport)	Megajoules	200 557	213 010	(6%)
Diesel use (non-transport)	Kilolitres	-	-	-
<b>Transport fuel usage</b>				
Battery Electric Vehicles (BEV)	Number	-	-	-
Hydrogen Fuel Cell Electric Vehicles (FCEV)	Number	-	-	-
Plug in Hybrid Electric Vehicles (PHEV)	Number	-	-	-
Hybrid Electric Vehicles (HEV)	Number	-	-	-
Internal Combustion Engine (ICE) vehicles	Number	1	1	0%
Total number of vehicles	Number	1	1	0%
Fuel use – Petrol	Kilolitres	0	0	0%
Fuel use – Diesel	Kilolitres	-	-	-
Fuel use – Liquid Petroleum Gas (LPG)	Kilolitres	-	-	-

Indicator at 30 June	Unit	2024-25	2023-24	Percentage change
Fuel use – Compressed Natural Gas (CNG)	Gigajoules	-	-	-
<b>Water usage</b>				
Water use	Kilolitres	145	136	7%
<b>Resource efficiency and waste</b>				
Reams of paper purchased	Reams	90	80	13%
Recycled content of paper purchased	Percentage	83%	63%	32%
Waste to landfill	Litres	3 851	3 476	11%
Co-mingled material recycled	Litres	1 755	2 127	(17%)
Paper & Cardboard recycled (incl. secure paper)	Litres	1 355	1 790	(24%)
Organic material recycled	Litres	66	110	(40%)
<b>Greenhouse gas emissions</b>				
Emissions from natural gas use (non-transport)	Tonnes CO2-e	10.33	10.98	(6%)
Emissions diesel use (non-transport)	Tonnes CO2-e	-	-	-
Emissions from transport fuel use	Tonnes CO2-e	0	0	0%
Emissions from refrigerants	Tonnes CO2-e	-	-	-
Total emissions	Tonnes CO2-e	10.33	10.98	(6%)

Source: City and Environment Directorate (formerly known as (Environment, Planning and Sustainable Development Directorate), SGFleet and Infrastructure Canberra (formerly known as ACT Property Group).

The annual report figures, provided by City and Environment Directorate (formerly known as (Environment, Planning and Sustainable Development Directorate), for electricity, natural gas, water use and emissions have changed slightly for 2023-24 and have been updated in table B-13. This is because of adjustment in charges for these services after 30 June 2024.

The Audit Office is one of several occupants of Nara Centre. Fluctuations in energy, water, emissions and waste usage are influenced by factors that are often beyond the Audit Office's control or difficult to attribute to specific events or patterns, as these utilities are shared across all tenants and reflect overall building usage. The Audit Office is committed to the efficient use of utilities. For example, staff are encouraged to turn off air conditioning and lights in unused rooms to help reduce energy consumption.

The Audit Office leases one executive vehicle which is also occasionally used by staff for business related travel. The kilometres travelled for business purposes in 2024-25 remained very low as meetings were held online or were accessible by walking or public transport.

The Audit Office's paper consumption increased with 10 more reams of paper purchased when compared to the prior year. The Audit Office continues to promote the minimisation

of paper usage by using electronic practices where possible. To increase awareness and understanding on waste and recycling management, staff attended the sustainable business program recycling training in March 2025.

**Further information can be obtained from:**

Ms Caroline Smith, Chief Operating Officer, Professional Services on telephone number (02) 6207 7829 or email [Caroline.Smith@act.gov.au](mailto:Caroline.Smith@act.gov.au).

## C Financial management reporting

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### C.1 Financial management analysis

This section discusses the Audit Office's financial results and compares them to estimates of amounts contained in the 2024-25 Budget Papers.

#### C.1.1 Operating results

The Audit Office made an *operating deficit* of \$0.579 million in 2024-25 compared to the budgeted *operating surplus* of \$0.018 million and an *operating surplus* of \$0.052 million in 2023-24. The higher *operating deficit* compared to the budget is primarily due to higher expenses, partially offset by higher income.

The higher *operating deficit* compared to the prior year mainly reflects higher employee expenses and contractor expenses which were partially offset by increased financial audit fees.

#### C.1.2 Financial results

The Audit Office's income mainly comprises *financial audit fees* and *appropriation*. *Financial audit fees* are charged for auditing the financial statements and performing limited assurance engagements on the statements of performance of ACT Public Sector reporting agencies. Information on the setting of *financial audit fees* is provided in Appendix A 'Financial Audit Fees' of the annual report. Other costs funded by *financial audit fees* and *appropriation* include reviewing ACT Government Accounting Policies, reporting on the results of the annual program of financial audits and a portion of the corporate overheads which includes learning and development expenses, accommodation and information technology costs.

*Appropriation* received from the ACT Government mainly funds the costs of performance audits, preparing Insight Publications and other information reports, briefing Committees of the Legislative Assembly, including the Standing Committee on Public Accounts and Administration, on reports tabled in the Legislative Assembly, responding to representations and public interest disclosures, production of the Audit Office's Annual Report, a portion of the learning and development program for staff, and other administrative expenses such as accommodation and information technology costs.

Expenses are mainly comprised of *employee expenses* and *supplies and services expenses*. *Supplies and services expenses* include contractors and consultants, accommodation, information technology, recruitment and staff learning and development costs.

**Table C-1: Financial Results**

	2022-23	2023-24	2024-25	2024-25
	Actual	Actual	Actual	Budget
	\$'000	\$'000	\$'000	\$'000
<b>Income</b>				
Appropriation	4 064	4 133	4 220	4 220
Financial Audit Fees	5 788	6 762	7 155	6 333
Other Income	182	254	322	157
<b>Total Income</b>	<b>10 034</b>	<b>11 149</b>	<b>11 697</b>	<b>10 710</b>
<b>Expenses</b>				
Employee Expenses	7 051	8 610	8 946	8 262
Supplies and Services	2 345	2 470	3 313	2 413
Depreciation and Amortisation	17	17	17	17
<b>Total Expenses</b>	<b>9 413</b>	<b>11 097</b>	<b>12 276</b>	<b>10 692</b>
<b>Operating Result</b>	<b>621</b>	<b>52</b>	<b>(579)</b>	<b>18</b>
<b>Total Comprehensive Result</b>	<b>621</b>	<b>52</b>	<b>(579)</b>	<b>18</b>

Source: Audit Office's audited 2022-23, 2023-24 and 2024-25 financial statements and 2024-25 budget papers.

## C.1.3 Income

### C.1.3.1 Income compared to budget estimates

*Total income* (\$11.697 million) was higher than the budgeted amount (\$10.710 million) by \$0.987 million mostly due to higher *financial audit fees* and *other income*.

Financial audit fees were \$0.822 million higher than the budget estimate mostly because of additional fees charged for various 30 June 2024 audits, including additional audit work performed by contractors to get the required audit assurance.

*Other income* was \$0.165 million higher than the budgeted amount mainly because of unbudgeted revenue from:

- the Pacific Association of Supreme Audit Institutions for the Audit Office's twinning arrangement with the Kiribati Audit Office; and
- other Audit Offices for secretariat duties of the Financial Reporting and Accounting Committee of the Australasian Council of Auditors-General.

### C.1.3.2 Income compared to prior year's income

Total income (\$11.697 million) was higher than the previous year's amount (\$11.149 million) by \$0.548 million mainly due to an increase in *financial audit fees*.

*Financial audit fees* increased by \$0.393 million mainly as a result of additional fees charged to agencies to recover the cost of performing the audits, including several audits where additional audit work was performed by contractors to get the required audit assurance.

## C.1.4 Expenses

### C.1.4.1 Expenses compared to budget estimates

Total expenses (\$12.276 million) were higher than the budget estimate (\$10.692 million) by \$1.584 million. This was mostly due to higher *supplies and services expenses* and *employee expenses*.

*Supplies and services expenses* were \$0.900 million higher than budget mainly due to higher contractor and consultant costs. This mostly relates to higher financial audit contractor costs incurred for 30 June 2024 audits for additional audit work to gain the required audit assurance, and for contract staff to assist meeting the earlier ACT Government election year reporting timetable. Performance audit contractor costs were also higher due to more audits in progress.

*Employee expenses* were \$0.684 million higher than budget mostly due to higher salaries and superannuation expenses mostly related to additional temporary financial audit staff to assist meeting the earlier ACT Government election year reporting timetable for 30 June 2024 audits and higher long service leave expenses relating to a higher than anticipated rate used to estimate the present value of long service leave liabilities.

These were partially offset by lower annual leave expenses mostly due to the growth in annual leave liabilities from salary increases mostly being offset by the transfer out of leave balances to other agencies for departing staff.

### C.1.4.2 Expenses compared to prior year's expenses

Total expenses (\$12.276 million) are higher than the prior year (\$11.097 million) by \$1.179 million mainly due to increased *supplies and services expenses* and *employee expenses*.

*Supplies and services expenses* increased by \$0.843 million largely because of higher:

- contractor and consultant expenses (\$0.416 million) related to additional work performed by financial audit contractors for various audits to get the required audit assurance, consultant costs for internal reviews, and contract staff costs for professional services to temporarily fill a vacant position. These were partially offset by lower contract staff costs for financial audits as no contract staff have been used for 30 June 2025 audits; and

- accommodation lease charges (\$0.389 million) mainly due to the reversal of disputed historic accommodation costs in 2023-24 after receiving confirmation that payment was not required.

*Employee expenses* increased by \$0.336 million mainly due to additional temporary financial audit staff as previously discussed and salary increases under the Audit Office’s enterprise agreement. This has been partially offset by lower annual leave and long service leave expenses which reflect the increase in the related liabilities balances.

In 2023-24, there was a larger increase in the leave liabilities due to higher leave balances and the transfer in of leave balances from other agencies for new staff. In 2024-25, there was a smaller increase as the growth in leave liabilities from salary increases and a higher rate used to estimate the present value of long service leave liabilities have been partially offset by the transfer out of leave balances to other agencies for departing staff.

## C.1.5 Financial Position

The Audit Office’s ability to meet its liabilities is discussed below.

**Table C-2: Current financial position**

	2022-23 Actual \$'000	2023-24 Actual \$'000	2024-25 Actual \$'000	2024-25 Budget \$'000
Current assets	4 997	5 112	4 670	5 290
Current liabilities	2 944	2 759	2 887	3 059
<b>Net current assets</b>	<b>2 053</b>	<b>2 353</b>	<b>1 783</b>	<b>2 231</b>
<b>Current ratio</b>	<b>1.70</b>	<b>1.85</b>	<b>1.62</b>	<b>1.73</b>

Source: Audit Office’s audited 2022-23, 2023-24 and 2024-25 financial statements and 2024-25 budget papers.

The Audit Office has sufficient current assets to meet its current liabilities as there is \$1.62 of current assets available to meet each dollar of current liabilities at 30 June 2025.

**Table C-3: Long-term financial position**

	2022-23 Actual \$'000	2023-24 Actual \$'000	2024-25 Actual \$'000	2024-25 Budget \$'000
Current assets	4 997	5 112	4 670	5 290
Total liabilities	3 147	3 027	3 147	3 290
<b>Net long-term financial position</b>	<b>1 850</b>	<b>2 085</b>	<b>1 523</b>	<b>2 000</b>
<b>Ratio of current assets to total liabilities</b>	<b>1.59</b>	<b>1.69</b>	<b>1.48</b>	<b>1.61</b>

Source: Audit Office’s audited 2022-23, 2023-24 and 2024-25 financial statements and 2024-25 budget papers.

The long-term financial position of the Audit Office at 30 June 2025 is slightly lower than the budget and prior year mainly due to the use of the Office's cash reserves to fund the operating deficit in 2024-25. The Audit Office will continue its prudent financial management practices to maintain a healthy financial position in the future.

**Further information can be obtained from:**

Ms Caroline Smith, Chief Operating Officer, Professional Services on telephone number (02) 6207 7829 or email [Caroline.Smith@act.gov.au](mailto:Caroline.Smith@act.gov.au).



## C.2 Financial Statements

**ACT Audit Office  
Financial Statements  
Year Ended 30 June 2025**

### **Statement of Responsibility**

In my opinion, the accompanying financial statements for the ACT Audit Office for the year ended 30 June 2025 agree with the ACT Audit Office's accounts and records and fairly reflect the financial operations of the ACT Audit Office for the year ended 30 June 2025 and its financial position on that date.



Michael Harris  
Auditor-General  
8 September 2025

**ACT Audit Office  
Financial Statements  
Year Ended 30 June 2025**

**Statement by the Chief Operating Officer**

In my opinion, the accompanying financial statements for the ACT Audit Office for the year ended 30 June 2025 have been prepared in accordance with Australian Accounting Standards and ACT Accounting and Disclosure policies, agree with the ACT Audit Office's accounts and records, and fairly reflect the financial operations of the ACT Audit Office for the year ended 30 June 2025 and its financial position on that date.



Caroline Smith  
Chief Operating Officer  
8 September 2025

# Independent Auditor's Report



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## ACT Audit Office

### Independent Audit Report to the Legislative Assembly for the Australian Capital Territory

#### Report on the Audit of the Financial Report of ACT Audit Office for the year ended 30 June 2025

##### Opinion

We have audited the financial report of the ACT Audit Office for the year ended 30 June 2025 which comprise the operating statement, balance sheet, statement of changes in equity, statement of cash flows, statement of appropriation, and notes to the financial statements including a summary of material accounting policy information and Statement of Responsibility and Statement by Chief Operating Officer.

In our opinion, the accompanying financial report of the ACT Audit Office is in accordance with the *Financial Management Act 1996*, including:

- (i) giving a true and fair view in all material respects of the ACT Audit Office's financial position as at 30 June 2025, and its financial performance and cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards.

##### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the ACT Audit Office in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Responsibilities for the Financial Report

The Auditor-General is responsible for preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Financial Management Act 1996* and for such internal controls as the Auditor-General determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Auditor-General is responsible for assessing the ACT Audit Office ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial report.

##### Auditor's Responsibilities for the Audit of the Financial Report

Under the *Financial Management Act 1996*, PKF Canberra is responsible for issuing an audit report that includes an independent opinion on the financial statements of the ACT Audit Office.

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

PKF Canberra is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s). Liability limited by a scheme approved under Professional Standards Legislation.

## Independent Auditor's Report (continued)



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### ACT Audit Office

#### Independent Audit Report to the Members of the Legislative Assembly for the Australian Capital Territory

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ACT Audit Office's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the ACT Audit Office.
- Conclude on the appropriateness of ACT Audit Office's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ACT Audit Office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ACT Audit Office to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Auditor-General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

  
PKF Canberra

  
Ross D. Bartolo  
Registered Company Auditor  
Audit Partner

**Dated: 8 September 2025**

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**ACT Audit Office  
Operating Statement  
Year Ended 30 June 2025**

	Note No.	Actual 2025 \$'000	Original Budget 2025 \$'000	Actual 2024 \$'000
<b>Income</b>				
<b>Revenue</b>				
Financial Audit Fees	2	7 155	6 333	6 762
Appropriation		4 220	4 220	4 133
Other Income		322	157	254
<b>Total Revenue</b>		<b>11 697</b>	<b>10 710</b>	<b>11 149</b>
<b>Total Income</b>		<b>11 697</b>	<b>10 710</b>	<b>11 149</b>
<b>Expenses</b>				
Employee Expenses	3	8 946	8 262	8 610
Supplies and Services	4	3 313	2 413	2 470
Depreciation and Amortisation		17	17	17
<b>Total Expenses</b>		<b>12 276</b>	<b>10 692</b>	<b>11 097</b>
<b>Operating Result</b>		<b>(579)</b>	<b>18</b>	<b>52</b>
<b>Total Comprehensive Result</b>		<b>(579)</b>	<b>18</b>	<b>52</b>

The above Operating Statement is to be read in conjunction with the accompanying notes.

**ACT Audit Office  
Balance Sheet  
As at 30 June 2025**

	Note No.	Actual 2025 \$'000	Original Budget 2025 \$'000	Actual 2024 \$'000
<b>Current Assets</b>				
Cash	6	1 284	4 107	2 282
Receivables	5	3 304	1 130	2 760
Other Assets		82	53	70
<b>Total Current Assets</b>		<b>4 670</b>	<b>5 290</b>	<b>5 112</b>
<b>Non-Current Assets</b>				
Right-of-use Motor Vehicle		8	9	25
<b>Total Non-Current Assets</b>		<b>8</b>	<b>9</b>	<b>25</b>
<b>Total Assets</b>		<b>4 678</b>	<b>5 299</b>	<b>5 137</b>
<b>Current Liabilities</b>				
Payables	7	220	585	308
Contract Liabilities		-	300	-
Employee Benefits	3	2 655	2 174	2 435
Lease Liabilities		12	-	16
<b>Total Current Liabilities</b>		<b>2 887</b>	<b>3 059</b>	<b>2 759</b>
<b>Non-Current Liabilities</b>				
Lease Liabilities		-	11	11
Employee Benefits	3	260	220	257
<b>Total Non-Current Liabilities</b>		<b>260</b>	<b>231</b>	<b>268</b>
<b>Total Liabilities</b>		<b>3 147</b>	<b>3 290</b>	<b>3 027</b>
<b>Net Assets</b>		<b>1 531</b>	<b>2 009</b>	<b>2 110</b>
<b>Equity</b>				
Accumulated Funds		1 531	2 009	2 110
<b>Total Equity</b>		<b>1 531</b>	<b>2 009</b>	<b>2 110</b>

The above Balance Sheet is to be read in conjunction with the accompanying notes.

**ACT Audit Office**  
**Statement of Changes in Equity**  
**Year Ended 30 June 2025**

Year Ended 30 June 2025	Accumulated Funds Actual 2025 \$'000	Total Equity Actual 2025 \$'000	Total Equity Original Budget 2025 \$'000
Balance at 1 July 2024	2 110	2 110	1 991
<b>Comprehensive surplus</b>			
Operating (Deficit)/Surplus	(579)	(579)	18
<b>Total Comprehensive surplus</b>	<b>(579)</b>	<b>(579)</b>	<b>18</b>
<b>Balance at 30 June 2025</b>	<b>1 531</b>	<b>1 531</b>	<b>2 009</b>

Year Ended 30 June 2024	Accumulated Funds Actual 2024 \$'000	Total Equity Actual 2024 \$'000
Balance at 1 July 2023	1 892	1 892
<b>Comprehensive surplus</b>		
Operating surplus	52	52
<b>Total Comprehensive surplus</b>	<b>52</b>	<b>52</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>		
Capital Injections	166	166
<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>166</b>	<b>166</b>
<b>Balance at 30 June 2024</b>	<b>2 110</b>	<b>2 110</b>

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

**ACT Audit Office  
Statement of Cash Flows  
Year Ended 30 June 2025**

	Note No.	Actual 2025 \$'000	Original Budget 2025 \$'000	Actual 2024 \$'000
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Appropriation		4 220	4 220	4 133
Financial Audit Fees		6 604	6 458	4 774
Other Receipts		579	361	456
<b>Total Receipts from Operating Activities</b>		<b>11 403</b>	<b>11 039</b>	<b>9 363</b>
<b>Payments</b>				
Employee		8 714	7 857	8 015
Supplies and Services		3 331	2 381	2 678
Interest on Lease Liability		1	-	1
Other Payments		339	259	347
<b>Total Payments from Operating Activities</b>		<b>12 385</b>	<b>10 497</b>	<b>11 041</b>
<b>Net Cash (Outflows)/Inflows from Operating Activities</b>	6	<b>(982)</b>	<b>542</b>	<b>(1 678)</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts</b>				
Capital Injections		-	-	166
<b>Total Receipts from Financing Activities</b>		<b>-</b>	<b>-</b>	<b>166</b>
<b>Payments</b>				
Repayment of Lease Liabilities – Principal		16		16
<b>Total Payments from Financing Activities</b>		<b>16</b>	<b>-</b>	<b>16</b>
<b>Net Cash (Outflows)/Inflows from Financing Activities</b>		<b>(16)</b>	<b>-</b>	<b>150</b>
<b>Net (Decrease)/Increase in Cash</b>		<b>(998)</b>	<b>542</b>	<b>(1 528)</b>
Cash at the Beginning of the Reporting Period		2 282	3 565	3 810
<b>Cash at the End of the Reporting Period</b>	6	<b>1 284</b>	<b>4 107</b>	<b>2 282</b>

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

**ACT Audit Office  
Statement of Appropriation  
Year Ended 30 June 2025**

	<b>Original Budget 2025 \$'000</b>	<b>Total Appropriated 2025 \$'000</b>	<b>Appropriation Drawn 2025 \$'000</b>	<b>Appropriation Drawn 2024 \$'000</b>
Controlled Recurrent Payments	4 220	4 220	4 220	4 170
Capital Injections	-	-	-	166
<b>Total Appropriation</b>	<b>4 220</b>	<b>4 220</b>	<b>4 220</b>	<b>4 336</b>

The above Statement of Appropriation is to be read with the accompanying notes below.

**Notes**

Capital injections appropriation of \$0.166 million was received in 2023-24 for pay increase back payments under the Audit Office's new enterprise agreement.

**Appropriation accounting policy**

Controlled recurrent payments appropriation is recognised as revenue when the Audit Office gains control over the funding which is on receipt.

Capital injections appropriation is recognised as equity injections and a cash inflow on receipt.

**ACT Audit Office  
Notes to the Financial Statements  
Year Ended 30 June 2025**

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**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

## **Note 1. About these financial statements**

### **Our Objectives**

The ACT Audit Office (Audit Office) provides an independent view to the ACT Legislative Assembly and community on the accountability, efficiency, and effectiveness of the ACT Public Sector; fosters accountability in the public administration of the Territory; and promotes efficiency and effectiveness in the delivery of public services and programs provided by the Territory.

### **Basis of preparation**

The Audit Office is a not-for-profit reporting entity, established under the Auditor-General Act 1996, that prepares general purpose financial statements intended to meet the needs of users who cannot require an entity to prepare reports tailored to their information needs.

These general-purpose financial statements have been prepared in accordance with applicable Australian Accounting Standards, which include interpretations issued by the Australian Accounting Standards Board, as required by the Financial Management Act 1996. These statements also comply with the ACT Accounting and Disclosure policies.

The financial statements comprise of:

- the statement of responsibility and statement by the Chief Operating Officer;
- an operating statement, which identifies revenues and expenses and financial results for the year;
- a balance sheet, which identifies the assets, liabilities and equity at balance date;
- a statement of changes in equity;
- a statement of cash flows, which provides information about the historical changes in cash and cash equivalents and classifies cash flows between operating, investing and financing activities;
- a statement of appropriation which provides information on cash appropriations received from the ACT Government; and
- notes providing descriptions of items and the accounting policies for recognition.

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 1. About these financial statements (continued)**

The financial statements:

- apply the historical cost basis unless a different measurement basis is specifically disclosed in the note associated with the item measured;
- contain certain significant accounting estimates and assumptions and reflect the exercise of professional judgement based on historical experience and various other factors considered reasonable in the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision;
- contain information that is material. Omitting or misstating information is material where the omission or misstatement could influence decisions that users of the financial statements make based on the financial information provided; and
- are in Australian dollars with all amounts rounded to the nearest \$1,000, unless otherwise stated. Rounding may cause minor discrepancies in totals.

The *Financial Management Act 1996* also requires the financial statements to include budget information to facilitate a comparison with the budget papers. Budget amounts disclosed in the financial statements are from the 2024-25 Budget Statements.

There is no material impact of Australian Accounting Standards issued that apply to the future reporting periods.

**Note 2. Funding for the delivery of audit services**

To fund its objectives, the Audit Office has two primary sources of revenue – appropriation and financial audit fees.

**Appropriation (controlled recurrent payments and capital injections)**

The Statement of Appropriation contains details of the controlled recurrent payments and capital injections.

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 2. Funding for the delivery of audit services (continued)**

**Financial audit fees**

Fees are charged for auditing financial statements and undertaking limited assurance engagements on the statements of performance of ACT Public Sector agencies. Financial audit fees are determined by the Auditor-General under the *Auditor-General Act 1996*.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
General Government Sector	5 008	4 539
Public Non-Financial Corporation Sector	897	948
Other	1 250	1 275
<b>Total financial audit fees</b>	<b>7 155</b>	<b>6 762</b>

Financial audit fees are higher than last year by \$0.393 million (6 percent) mainly due to additional fees charged to agencies to recover the costs of performing the audits, including several audits where additional audit work was performed by contractors to get the required audit assurance.

**Financial audit fees accounting policy**

Revenue for financial audit services is recognised over time as the audit work is completed. The amount of audit work completed for each audit is estimated by comparing Audit Office staff hours to total budgeted staff hours, and where contractors are used, the amount paid or payable to the contractors for audit work completed.

*Significant estimates and judgements*

The Audit Office has made a significant estimate that includes assumptions about when financial audit fees are recognised as revenue according to the estimated stage of completion of each audit. This is based on a judgement of the amount of audit work completed compared to the total number of hours budgeted to complete each audit.

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 3. The cost of delivering audit services**

The costs of delivering audit services mainly include employee expenses and, supplies and services expenses (Note 4).

<b>Employee Expenses</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries	7 411	6 769
Superannuation	1 210	1 115
Annual Leave Expense	62	251
Long Service Leave Expense	160	282
Flex and TOIL Leave Expense	(14)	69
Workers' Compensation Insurance Premium	78	89
Fringe Benefits Tax	19	18
Other Employee Benefits	20	17
<b>Total Employee Expenses</b>	<b>8 946</b>	<b>8 610</b>

Employee expenses are higher than the prior year by \$0.336 million (4 percent), mainly due to higher salaries and superannuation related to:

- additional temporary financial audit staff to meet the earlier ACT Government election year reporting deadlines for 30 June 2024 audits; and
- salary increases under the Audit Office's enterprise agreement.

These increases were partly offset by lower annual and long service leave expenses which reflect increases in leave liabilities.

In 2023 24, annual leave and long service liabilities increased mostly due to higher leave balances and new staff transferring significant leave balances from other agencies. In 2024 25, annual leave liabilities grew due mainly to salary increases which was mostly offset by departing staff transferring their leave balances out to other agencies.

Long service leave liabilities increased in 2024 25 mainly due to a higher rate used to calculate the present value of future payments. The growth in liabilities, mainly due to salary increases, was partially offset by departing staff transferring their leave balances out to other agencies.

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 3. The cost of delivering audit services (continued)**

<b>Employee Benefits</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Employee Benefits</b>		
Annual Leave	1 055	994
Long Service Leave	1 284	1 128
Flex and TOIL Leave	55	69
Accrued Salaries	256	239
Other Employee Benefits	5	5
<b>Total Current Employee Benefits</b>	<b>2 655</b>	<b>2 435</b>
<b>Non-Current Employee Benefits</b>		
Long Service Leave	260	257
<b>Total Non-Current Employee Benefits</b>	<b>260</b>	<b>257</b>
<b>Total Employee Benefits</b>	<b>2 915</b>	<b>2 692</b>

Long service leave liabilities increased by \$0.157 million (14 percent) mainly due to a higher rate used to estimate the present value of future payments due to a change in the Commonwealth Government bond yields.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Estimate of when Leave is Payable</b>		
<b>Estimated Amount Payable within 12 Months</b>		
Annual Leave	545	443
Accrued Salaries and Other Employee Benefits	261	244
Flex and TOIL Leave	55	69
Long Service Leave	95	27
<b>Total Employee Benefits Payable within 12 Months</b>	<b>955</b>	<b>783</b>
<b>Estimated Amount Payable after 12 Months</b>		
Long Service Leave	1 449	1 358
Annual Leave	510	551
<b>Total Employee Benefits Payable after 12 Months</b>	<b>1 960</b>	<b>1 909</b>
<b>Total Employee Benefits</b>	<b>2 915</b>	<b>2 692</b>

The estimated amount payable within 12 months is higher than the prior year mostly due to the term of the Auditor-General concluding on 7 February 2026 and his leave liability amounts are expected to be paid within 12 months.

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 3. The cost of delivering audit services (continued)**

At 30 June 2025, the Audit Office employed 50 full time equivalent (FTE) staff, which is lower than at 30 June 2024 (56 FTE). This reduction is mainly due to the cessation of contracts for temporary financial audit staff hired to meet the earlier ACT Government election year reporting deadlines for 30 June 2024 audits.

**Accrued salaries accounting policy**

Accrued salaries are measured at the nominal amount that remains unpaid to employees at the end of the reporting period.

**Annual and long service leave accounting policy**

Annual and long service leave that is not expected to be wholly settled within 12 months after the end of the reporting period in which employees render the related service are measured at the present value of estimated future payments to be made for the services provided by employees up to the end of the reporting period.

Annual leave and long service leave liabilities include estimated on-costs.

Annual leave and long service leave liabilities are classified as current liabilities in the balance sheet where there is no unconditional right to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current as there is an unconditional right to defer the settlement of the liability until the employee has completed the required years of service.

*Significant estimates and judgements*

Annual leave liabilities are estimated on the assumption that they will be wholly settled within three years. The rate used to estimate the present value of future payments for annual leave was 99.5 percent at 30 June 2025 (98.2 percent at 30 June 2024).

Long service leave liabilities are estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of seven years, the probability that employees will reach the required minimum period has been considered in estimating the liability for long service leave and applicable on-costs. The rate used to estimate the present value of future payments for long-service leave was 100.1 percent at 30 June 2025 (91.2 percent at 30 June 2024).

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 3. The cost of delivering audit services (continued)**

As on-costs become payable only if an employee takes annual and long service leave while in service, the probability of this occurring has been considered in estimating the liability for on costs.

The estimated liabilities for annual and long-service leave require consideration of future wage and salary levels, experience of employee departures, probability that leave will be taken while in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and on-costs will become payable.

The present value of future annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity and currency that match, as closely as possible, the timing or the estimated future cash flows. The judgements and assumptions used in the estimation of annual and long service leave liabilities are determined by ACT Treasury and apply to all ACT Government agencies. ACT Treasury organises an actuarial review to be performed every three years. The latest assessment was undertaken by the Australian Government Actuary in December 2024 and early 2025, with next review is expected to be undertaken by late 2027.

*Change in accounting estimate*

A change in accounting estimate occurred at 30 June 2025 arising from a change in Commonwealth Government bond yields used to estimate the present value of future leave liability payments. The rate used to estimate the present value of future long service leave liability payments changed from 91.2 percent at 30 June 2024 to 100.1 percent at 30 June 2025 resulting in long service leave liabilities increasing by approximately \$142 000

**Superannuation accounting policy**

Superannuation contribution payments are made to the Territory Banking Account for employees who are members of the defined benefit Public Sector Superannuation Scheme. A productivity superannuation payment for these employees is paid directly to the Commonwealth Superannuation Corporation.

The scheme is a defined benefit scheme, meaning that the defined benefits received by employees are based on an employee's years of service and final average salary. No superannuation liability is recorded in the balance sheet for employees in this scheme as it is included in the Superannuation Provision Account's financial statements.

Superannuation contributions are made to various accumulation superannuation schemes, including the Public Sector Superannuation Scheme Accumulation Plan and ones chosen by employees. Once contributions are paid, the Audit Office has no further liability.

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 4. Supplies and services expenses**

Supplies and services expenses comprise audit contractors and consultant's fees, and day to day running costs incurred for normal operations. They are recognised as an expense in the reporting period in which they are incurred.

**Nature and classification**

<b>Supplies and Services</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Contractors and Consultants		
Performance Audit	376	401
Financial Audit	1 676	1 303
Other	182	114
<b>Sub-total</b>	<b>2 234</b>	<b>1 818</b>
Accommodation Lease	268	(121)
Information Technology	336	296
Utilities	107	66
Printing	17	22
Telephones	8	20
Publications and Subscriptions	57	43
Staff Development	72	101
Audit Fees	16	15
HR, Recruitment and Advertising	15	58
Services Received Free of Charge - ICT, HR and Finance	75	49
Travel	47	48
Security	13	12
Other	48	43
<b>Sub-total</b>	<b>1 079</b>	<b>652</b>
<b>Total Supplies and Services</b>	<b>3 313</b>	<b>2 470</b>

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 4. Supplies and services expenses (continued)**

Supplies and services expenses increased by \$0.843 million (34 percent) from the prior year, mostly relating to higher:

- contractor and consultant expenses (\$0.416 million) related to additional work performed by financial audit contractors for various audits to get the required audit assurance, consultant costs for internal reviews, and contract staff costs for professional services to temporarily fill a vacant position. These were partially offset by lower contract staff costs for financial audits as no contract staff have been used for 30 June 2025 audits.
- accommodation lease charges (\$0.389 million) mainly due to the reversal of disputed historic accommodation costs in 2023-24 after receiving confirmation that payment was not required.

**Commitments (inclusive of GST)**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	495	1 176
Later than one year but not later than five years	581	709
Later than five years	1	4
<b>Total Commitments</b>	<b>1 076</b>	<b>1 889</b>

The above table includes commitments to contractors for financial audits and performance audits, and for information technology equipment. Total commitments do not include office accommodation rental commitments as the Audit Office does not yet have a final occupancy agreement for its premises in the Nara Centre. The ACT Property Group has invoiced the Audit Office approximately \$0.022 million per month for accommodation costs in 2024-25.

Commitments are \$0.813 million lower than the prior year mainly due to a significant contract for outsourced financial audit work concluding within the next 12 months.

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 5. Receivables**

Receivables largely consist of billed and unbilled amounts owing to the Office for financial audits. Accrued financial audit income is unbilled amounts receivable for audit work performed until the end of the reporting period. It includes amounts recoverable from auditees for amounts billed to the Office by contractors for financial audits.

Receivables by class of debtors was as follows:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Billed Financial Audit Income	342	-
Accrued Staff Salary Recoveries	7	15
Accrued Financial Audit Income	2 955	2 745
<b>Total Receivables</b>	<b>3 304</b>	<b>2 760</b>

Total receivables at 30 June 2025 are higher than the prior year by \$0.544 million (20 percent) mainly due to unpaid invoices for 31 December 2024 financial audits and higher financial audit fees charged for 30 June 2025 audits. No expected credit losses have been recorded at 30 June 2025 (30 June 2024: nil) because all amounts owed are expected to be collected.

**Receivables accounting policy**

Receivables are initially measured at fair value and subsequently measured at amortised cost, any adjustments to carrying amounts being recognised in the operating statement as an expense. Receivables are stated at amounts after any allowance for expected credit losses.

The allowance for 'expected credit losses' is measured at the lifetime expected credit losses at each reporting date. The amount for any expected credit loss for receivables is recorded as an expense in the operating statement.

Under the *Auditor-General Act 1996*, ACT Government agencies are liable to pay fees for financial audits based on the scale of fees decided by the Auditor-General. In accordance with the ACT Government policy, inter-agency receivables between ACT Government agencies are expected to have low credit risks and therefore agencies are not required to measure any loss allowance for receivables collectable from other ACT Government agencies.

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 6. Cash**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at Bank	1 284	2 282
<b>Cash as per Statement of Cash Flows and Balance Sheet</b>	<b>1 284</b>	<b>2 282</b>

Cash at bank earned an average floating interest rate of 4.15 percent in 2024-25 (4.50 percent in 2023-24). Total cash is lower than the prior year by \$0.998 million (44 percent) mainly due to the use of cash to partially fund higher employee expenses and, contractor and consultant costs.

**Cash accounting policy**

Cash is recorded at its nominal amount.

**Reconciliation of the operating (deficit)/surplus to net cash inflows from operating activities**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating (Deficit)/Surplus</b>	(579)	52
<b>Add Non-Cash Items</b>		
Depreciation on Motor Vehicle	17	17
<b>Cash Before Changes in Operating Assets and Liabilities</b>	<b>(562)</b>	<b>69</b>
<b>Changes in Operating Assets and Liabilities</b>		
(Increase) in Receivables	(544)	(1 623)
(Increase) in Other Assets	(11)	(20)
(Decrease) in Payables	(88)	(334)
(Decrease) in Contract Liabilities	0	(279)
Increase in Employee Benefits	223	509
<b>Net Changes in Operating Assets and Liabilities</b>	<b>(420)</b>	<b>(1 747)</b>
<b>Net Cash Outflows from Operating Activities</b>	<b>(982)</b>	<b>(1 678)</b>

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 7. Payables**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade Payables and Accrued Expenses	220	308
<b>Total Payables</b>	<b>220</b>	<b>308</b>

Payables at 30 June 2025 are lower than the prior year by \$0.088 million (29 percent) mainly due to lower amounts payable for performance audit contractors.

**Payables accounting policy**

Creditors and accruals are amounts payable for goods and services provided to the Audit Office before the end of the reporting period. They are recognised at the amount to be paid for these goods and services when the liabilities are settled. Creditors and accruals are normally settled on 28-day terms and are non-interest bearing.

**Note 8. Financial instrument exposures**

Financial assets comprise of cash and receivables, and financial liabilities including payables. These balances are not exposed to price and currency risk.

The carrying amounts of each category of financial assets and liabilities and their approximate fair values are as follows.

	<b>Note No.</b>	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Carrying Amount</b>	<b>Fair Value</b>
		<b>2025</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets</b>					
Cash	6	1 284	1 284	2 282	2 282
Receivables	5	3 304	3 304	2 760	2 760
<b>Total Financial Assets</b>		<b>4 588</b>	<b>4 588</b>	<b>5 042</b>	<b>5 042</b>
<b>Financial Liabilities</b>					
Payables	7	220	220	308	308
<b>Total Financial liabilities</b>		<b>220</b>	<b>220</b>	<b>308</b>	<b>308</b>
<b>Net financial assets</b>		<b>4 368</b>	<b>4 368</b>	<b>4 734</b>	<b>4 734</b>

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 8. Financial instrument exposures (continued)**

The Audit Office has sufficient financial assets to meet financial liabilities when they fall due.

**Interest rate risk exposure**

Interest-rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to movements in market interest rates (floating interest rate).

The Audit Office is exposed to movements in the amounts of interest earned on cash. However, as operating cash flows are not significantly dependent on interest earned, there is no significant exposure. The weighted average interest rate in 2024-25 was 4.15 percent and 4.50 percent in 2023-24.

As receivables and payables are non-interest-bearing, there is no exposure to movements in interest rates.

**Credit risk exposure**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Financial assets consist of cash and receivables. The Audit Office's maximum exposure to credit risk is limited to the amount of these assets, net of any allowance made for impairment.

Cash is held with a high credit quality financial institution. Nearly all receivables consist of financial audit fees charged to ACT Government agencies and other entities with strong credit histories. These agencies are generally required by legislation to pay audit fees. The Audit Office does not hold any financial assets that are past due or impaired.

Credit risk is considered to be low, and there are no significant concentrations of credit risk.

**Liquidity risk exposure**

Liquidity risk is the risk that the Audit Office will encounter difficulties in meeting financial obligations as they fall due.

The Audit Office holds sufficient cash in hand to meet immediate operating requirements. Appropriations received to fund performance audits and other activities are drawn down progressively throughout the year, and financial audit fees are invoiced progressively to ensure that the Audit Office meets its financial obligations throughout the year.

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 9. Related parties**

**Key management personnel**

Key management personnel plan, direct and control the Audit Office's activities. The Audit Office's key management personnel are members of the Executive Committee.

<b>2024-25 Key Management Personnel</b>	<b>Position</b>	<b>Period in Position</b>
Michael Harris	Auditor-General	1 July 2024 to 30 June 2025
Ajay Sharma	Assistant Auditor-General, Financial Audit	1 July 2024 to 30 June 2025
Rosa San Miguel	Acting Assistant Auditor-General, Financial Audit	25 June 2025 to 30 June 2025
Brett Stanton	Assistant Auditor-General, Performance Audit	1 July 2024 to 30 June 2025
Brett Stanton	Acting Auditor-General	21 October 2024 to 24 October 2024
Laura Martin	Acting Assistant Auditor-General, Performance Audit	24 March 2025 to 4 April 2025
Caroline Smith	Chief Operating Officer	1 July 2024 to 30 June 2025
Caroline Smith	Acting Auditor-General	8 June 2025 to 13 June 2025
Erika Hudleston	Acting Chief Operating Officer	1 July 2024 to 30 August 2024
David O'Toole	Acting Chief Operating Officer	16 January 2025 to 31 January 2025

<b>2023-24 Key Management Personnel</b>	<b>Position</b>	<b>Period in Position</b>
Michael Harris	Auditor-General	1 July 2023 to 30 June 2024
Ajay Sharma	Assistant Auditor-General, Financial Audit	1 July 2023 to 30 June 2024
Tim Larnach	Acting Assistant Auditor-General, Financial Audit	7 December 2023 to 15 December 2023
Brett Stanton	Assistant Auditor-General, Performance Audit	1 July 2023 to 30 June 2024
Brett Stanton	Acting Auditor-General	8 November 2023 to 17 November 2023 27 November 2023 to 1 December 2023 18 May 2024 to 27 May 2024 13 June 2024 to 21 June 2024
Tanja Porter	Acting Assistant Auditor-General, Performance Audit	2 January 2024 to 26 January 2024
Caroline Smith	Chief Operating Officer	1 July 2023 to 30 June 2024
Caroline Smith	Acting Auditor-General	3 June 2024 to 28 June 2024
Erika Hudleston	Acting Chief Operating Officer	18 May 2024 to 27 May 2024 3 June 2024 to 28 June 2024

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 9. Related parties (continued)**

**Remuneration**

Remuneration of the Audit Office's senior executive positions is determined by the ACT Remuneration Tribunal and tabled in the ACT Legislative Assembly.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term Employee Benefits	1 138	1 084
Post-employment Benefits	253	229
Other Long-term Benefits	65	62
<b>Total Remuneration of Key Management Personnel</b>	<b>1 456</b>	<b>1 375</b>

**Transactions and balances with key management personnel and other related parties**

There were no related party transactions that involved key management personnel, their close family members, and their personal business interests in the current reporting period, other than the KMP disclosed above.

The Audit Office is an ACT Government related entity and therefore all other ACT Government agencies are related parties. Transactions with other ACT Government agencies are performed in the usual course of operations, typically required by legislation or the ACT Government's policies. Material transactions with other ACT Government agencies disclosed in these financial statements are:

- revenue that funds the Audit Office's operations in the form of Controlled Recurrent Payments and Capital Injections appropriation from the Territory Banking Account (Appropriation Statement); and Financial Audit Fees charged to all ACT Government agencies under the *Auditor-General Act 1996* (Note 2).
- expenses relating to accommodation lease to Infrastructure Canberra and for information technology equipment and services to the Chief Minister, Treasury and Economic Development Directorate under whole-of-government service provider arrangements (Note 4).

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 10. Budgetary reporting**

The budgetary reporting disclosure provides information relevant to assessing the financial performance of the Audit Office against its budget as presented to the Legislative Assembly.

Significant judgements have been applied in determining what variances are considered 'major variances'. Variances are considered major if both of the following criteria are met:

- the line item is a significant line item: where either the line-item actual or budget amount accounts for more than 10 percent of the relevant associated actual category amount (Income, Expenses, Assets, Liabilities and Equity totals); and
- the variance (original budget to actual) is greater than plus (+) or minus (-) 10 percent for the financial statement line item.

Professional judgement has also been applied to report on variances which are not major variances but considered important for readers.

**Operating Statement Line Items**

	Variance Explanation	Actual \$'000	Original Budget \$'000	Variance \$'000	Variance %
Financial Audit Fees	1	7 155	6 333	822	13%
Supplies and Services	2	3 313	2 413	900	37%

**Variance Explanations**

1. Financial audit fees are higher than the budget estimate mainly due to additional audit fees charged for various 30 June 2024 audits, including for additional audit work performed by contractors to get the required audit assurance.
2. Supplies and Services expenses are higher due to higher contractor and consultant costs. This mostly relates to higher financial audit contractor costs incurred for 30 June 2024 audits for additional audit work to gain the required audit assurance, higher financial audit contract staff costs to assist meet the earlier ACT Government election year reporting timetable for 30 June 2024 financial audits, and higher costs incurred for performance audits due to more audits in progress.

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 10. Budgetary reporting (continued)**

**Balance Sheet Line Items**

	Variance Explanation	Actual \$'000	Original Budget \$'000	Variance \$'000	Variance %
Cash	1	1 284	4 107	(2 823)	-69%
Receivables	2	3 304	1 130	2 174	192%
Employee Benefits	3	2 915	2 394	521	22%
Accumulated Funds	4	1 531	2 009	(478)	-24%

**Variance Explanations**

1. Cash is lower than the budget estimate mainly due to the:
  - later than anticipated timing for invoicing financial audit fees. The budget assumed audit fee progress invoices would be issued to agencies before 30 June 2025, however this did not occur until after 30 June 2025 (the timing difference does not impact revenue recognition as fees are accrued based on work completed); and
  - higher than budgeted operational expenditure reducing the Office's cash reserves.
2. Receivables are higher than the budget estimate mostly due to unpaid invoices for 31 December 2024 financial audits and more accrued financial audit fees at year end due to the later than anticipated timing of issuing invoices to agencies. The budget assumed that most receivables related to audit fee progress invoices would be received before 30 June 2025.
3. Employee benefits are higher than budget mostly due to a calculation error that resulted in an underestimation of the budget target for annual leave liabilities, and higher than expected accrued salaries at 30 June 2025.
4. Accumulated funds are lower than budget due to the higher-than-expected operating deficit in 2024-25.

**ACT Audit Office**  
**Notes to the Financial Statements**  
**Year Ended 30 June 2025**

**Note 10. Budgetary reporting (continued)**

**Statement of Changes in Equity** - these line items are covered in other financial statements.

**Statement of Cashflows Line Items**

	Variance Explanation	Actual \$'000	Original Budget \$'000	Variance \$'000	Variance %
Employee	1	8 714	7 857	857	11%
Supplies and Services	2	3 331	2 381	950	40%

**Variance Explanations**

1. Employee expenses are higher than budget estimates mainly due to additional temporary financial audit staff to meet the earlier ACT Government election year reporting deadlines for 30 June 2024 audits.
2. Supplies and Services expenses are higher than budget mostly due to higher contractor and consultant costs as previously discussed.

## C.3 Capital Works

The Audit Office had no capital projects in 2024-25.

## C.4 Asset Management

### C.4.1 Assets managed

The Audit Office did not manage any assets in 2024-25.

## C.5 Government Contracting

In 2024-25, the Audit Office engaged the contractors listed in tables C-4 and C-5 to provide services with a value of \$25,000 (including GST) or more over the life of the contract. The following information is an extract from the ACT Government Contracts Register.

**Table C-4: Audit Office contracts 2024-25**

Contract Number	Contracting Firm	Nature of services	Contract execution date	Contract expiry date	Total Contract Price \$ incl. GST
2024-2025.24	Orkest Consulting	Performance Audit Services	25/06/2025	30/09/2025	91,080
PIAO0008319	Cumpston Sarjeant Pty Ltd	Actuarial Services 2025 to 2027	26/05/2025	31/10/2027	319,690
2024-2025.20	McGrathNicol Advisory	Performance Audit Services	19/02/2025	31/07/2025	89,981
2024-2025.07	Mercer Consulting (Australia) Pty Ltd	Professional Services Establishment Review	18/11/2024	20/12/2024	44,000
PIAO0007078	Vincents	Cost Allocation Review	13/11/2024	29/12/2024	28,600
2024-2025.05	Griffith Enterprise	Performance Audit Services	10/10/2024	13/12/2024	61,503
2024-2025.04	University of Canberra	Performance Audit Services	08/10/2024	14/02/2025	90,025

Notes: All contracts entered into by the Audit Office during 2024-25 with a value of \$25,000 or above were procured by seeking at least three quotes except for Contract Number 2024-2025.07 - Mercer Consulting (Australia) Pty Ltd which was a single select procurement approved by the Auditor-General.

**Table C-5: Audit Office work orders and contract variations 2024-25**

The following table shows work orders entered under whole-of-government panel arrangements and other contract variations.

Contract Number / Panel Deed Number	Contracting Firm	Nature of services	Execution date	Expiry date	Total Contract Price \$ incl. GST
2024-2025.01 2019.29912.21022	Deloitte Touche Tohmatsu	Accounting Advice for the Light Rail Stage 2A	29/08/2024	29/08/2024	82,500
2024-2025.02 2019.29912.21022	Deloitte Touche Tohmatsu	Accounting Advice for Concessional Loans	11/09/2024	27/09/2024	92,147
2024-2025.06 FA19/05	CaseWare Australia	CaseWare audit software contract variation	29/11/2024	05/12/2025	85,932
2024-2025.22 2019.29912.21044	O'Connor Marsden & Associates Pty Ltd	Financial Audit Engagement Quality Reviews 2024-25	27/03/2025	31/10/2025	27,354

## C.5.1 Compliance with Government Procurement Act 2001

The Audit Office has complied with the *Government Procurement Act 2001* during the reporting year.

## C.5.2 Secure Local Jobs Code

The *Secure Local Jobs Code* was not applicable to any procurements undertaken by the Audit Office during the reporting period.

## C.5.3 Aboriginal and Torres Strait Islander Procurement Policy

The *Aboriginal and Torres Strait Islander Procurement Policy* applies to all Territory entities covered by the *Government Procurement Act 2001*, and as such, applies to the Audit Office. The aim of the *Aboriginal and Torres Strait Islander Procurement Policy* is to support the Government's current and future agreements with Aboriginal and Torres Strait Islander peoples, including the employment and the economic participation for Aboriginal and Torres Strait Islander peoples in the Canberra Region.

Under the *Aboriginal and Torres Strait Islander Procurement Policy*, Territory entities are required to identify and act upon opportunities for Aboriginal and Torres Strait Islander Enterprises in their procurement activities and to encourage quotes from relevant Aboriginal and Torres Strait Islander Enterprises, wherever possible. The Audit Office takes this policy into consideration in its procurement processes.

### Further information can be obtained from:

Ms Caroline Smith, Chief Operating Officer, Professional Services on telephone number (02) 6207 7829 or email [Caroline.Smith@act.gov.au](mailto:Caroline.Smith@act.gov.au)

## C.6 Statement of Performance

### ACT Audit Office Statement of Performance Year Ended 30 June 2025

#### Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the ACT Audit Office's records and fairly reflects the operational performance of the ACT Audit Office for the year ended 30 June 2025.



Michael Harris  
Auditor-General  
8 September 2025

**ACT Audit Office  
Statement of Performance  
Year Ended 30 June 2025**

**Statement of Responsibility**

In my opinion, the Statement of Performance is in agreement with the ACT Audit Office's records and fairly reflects the operational performance of the ACT Audit Office for the year ended 30 June 2025.



Caroline Smith  
Chief Operating Officer  
8 September 2025

# Limited Assurance Report



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## ACT Audit Office

### Independent Limited Assurance Report to the Legislative Assembly for the Australian Capital Territory

#### Independent Limited Assurance Report on the ACT Audit Office for the year ended 30 June 2025

##### Conclusion

We have undertaken a limited assurance engagement on the statement of performance of the ACT Audit Office for the year ended 30 June 2025.

Based on the procedures performed and evidence obtained, nothing has come to our attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2025 are not in agreement with the ACT Audit Office's records or do not fairly reflect, in all material respects, the performance of the ACT Audit Office, in accordance with the *Financial Management Act 1996*.

##### Basis for Conclusion

We have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. Our responsibilities under the standard and legislation are described as below.

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the PKF Canberra applies Australian 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*.

We believe that sufficient and appropriate evidence was obtained to provide a basis for our conclusion.

##### Responsibility for Preparing and fairly presenting the Statement of Performance

The Auditor-General is responsible for preparing and fairly presenting the Statement of Performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of performance Scrutiny) Guidelines 2019*.

The Auditor-General is responsible for determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

##### Responsibility for the Limited Assurance Engagement of the Statement of Performance

Under the *Financial Management Act 1996* and *Financial Management (Statement of performance Scrutiny) Guidelines 2019*, PKF Canberra is responsible for issuing a limited assurance report on the statement of performance of the ACT Audit Office.

Our objective is to provide limited assurance on whether anything has come to our attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with the ACT Audit Office's records or do not fairly reflect, in all material respects, the performance of the ACT Audit Office, in accordance with the *Financial Management Act 1996*.

PKF Canberra is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s). Liability limited by a scheme approved under Professional Standards Legislation.

## Limited Assurance Report (continued)



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### ACT Audit Office

#### Independent Limited Assurance Report to the Members of the Legislative Assembly for the Australian Capital Territory

In a limited assurance engagement, we perform procedures such as making enquiries with representatives of the ACT Audit Office, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on our judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

##### Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion on the statement of performance.

The limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by the ACT Audit Office.

  
PKF Canberra  
Ross Di Bartolo  
Registered Company Auditor  
Audit Partner

Dated: 8 September 2025

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**ACT Audit Office  
Statement of Performance  
Year Ended 30 June 2025**

The ACT Audit Office (Audit Office) provides an independent view to the ACT Legislative Assembly and community on the accountability, efficiency and effectiveness of the ACT Public Sector; fosters accountability in the public administration of the Territory; and promotes efficiency and effectiveness in the delivery of public services and programs provided by the Territory.

The Audit Office meets its objectives largely by auditing the financial statements of the Territory and its agencies and conducting performance audits.

The accountability indicators provide information on the cost, quantity and timeliness of reports and the quality and effectiveness of audit work.

Accountability indicators	Note No.	2024-25 Target	2024-25 Actual Result	Variance from Target
<b>Cost</b>				
Audit cost per hour excluding audit contractor costs	1	\$213	\$210	(1%)
<b>Quantity</b>				
Number of auditor's reports issued on financial statements and compliance auditor's report	2	59	60	2%
Number of limited assurance reports issued on statements of performance	3	30	30	0%
Number of reports, including performance audit and limited assurance, presented to the ACT Legislative Assembly	4	9	10	11%

This Statement of Performance should be read in conjunction with the accompanying explanations.

**ACT Audit Office  
Statement of Performance  
Year Ended 30 June 2025**

Accountability indicators	Note No.	2024-25 Target	2024-25 Actual Result	Variance from Target
<b>Quality and effectiveness</b>				
Percentage of agencies satisfied with financial audits and compliance audits	5	95%	100%	5%
Percentage of agencies satisfied with performance audits	6	95%	83%	(13%)
Percentage of agencies satisfied with the potential for financial audit findings and/or recommendations to improve their financial reporting, governance, or internal controls	7	80%	100%	25%
Percentage of agencies agreeing that the performance audit will help their organisation improve administration of the audited activity	8	80%	92%	15%
<b>Timeliness</b>				
Percentage of financial audits completed within the required timetable	9	100%	98%	2%
Average period of completion of performance audits	10	11 months	11.9 months	8%
Presentation of summary reports on financial audits to the ACT Legislative Assembly				
1. Financial Audits – Overview		Nov 2024	Nov 2024	0%
2. Financial Audits – Financial Results and Audit Findings		Dec 2024	Dec 2024	0%

This Statement of Performance should be read in conjunction with the accompanying explanations.

**ACT Audit Office**  
**Explanations Accompanying the Statement of Performance**  
**Year Ended 30 June 2025**

**Note 1. Audit cost per hour excluding audit contractor costs**

This accountability indicator represents the *internal cost per hour* for financial audit and performance audit functions.

*Internal costs* are calculated by subtracting contracted out audit costs and resources received free of charge from total expenses incurred by the Audit Office. *Internal cost per hour* is calculated by dividing internal costs by the number of hours spent on audits.

The 2024-25 target cost per hour of \$213 was calculated as estimated budgeted total expenses minus estimated budgeted contracted out audit costs for 2024-25 (i.e. \$10 692 000 minus \$1 114 503 equals \$9 577 497 divided by the estimated number of hours to be charged to audits and related activities in 2024-25 (44 918 hours)). There were no budgeted resources received free of charge.

Actual audit costs per hour excluding contracted out audit costs and resources received free of charge is \$210. This was calculated as the actual cost of \$10 096 132 (i.e. actual total expenses of \$12 276 025 minus contracted out audit costs of \$1 922 385 and resources received free of charge of \$75 421) divided by the actual number of hours charged to audits for 2024-25 of 48 888 hours.

The audit cost per hour excluding contracted out audit costs and resources received free of charge is \$210 which is 1 percent lower than the targeted cost of \$213. This reflects higher audit hours (9 percent) exceeding the higher expenses (6 percent).

**Note 2. Number of auditor's reports issued on financial statements and compliance auditor's report**

This accountability indicator represents the number of auditor's reports issued on financial statements and the number of compliance auditor's reports issued in 2024-25.

There were 59 auditor's reports issued on financial statements and 1 compliance auditor's report issued in 2024-25. The total number of these reports (60) was one more than the 2024-25 target (59).

The audit of the Commonwealth Funding under the *National Land Transport Act 2014 - Roads to Recovery Program 2019-24* was not included in the target as the request to perform this audit was received after the target had been set for 2024-25.

A listing of these reports is provided in Note 3.

**ACT Audit Office**  
**Explanations Accompanying the Statement of Performance**  
**Year Ended 30 June 2025**

**Note 3. Number of limited assurance reports issued on statements of performance**

This accountability indicator represents the number of limited assurance reports issued on statements of performance in 2024-25.

The number of limited assurance reports issued on statements of performance in 2024-25 (30) was consistent with the 2024-25 target (30).

A listing of these reports is provided in the following table.

This table represents the auditor's reports and limited assurance reports that were issued in the period from 1 July 2024 to 30 June 2025.

No.		Auditor's Report	No.	Limited Assurance Report
	<b>Territory's financial statements</b>			
1	Consolidated Annual Financial Statements	Unmodified	-	Not applicable
	<b>Directorates</b>			
2	ACT Executive	Unmodified	-	Not applicable
3	ACT Health Directorate	Unmodified	1	Unmodified
4	ACT Integrity Commission	Unmodified	-	Not applicable
5	ACT Local Hospital Network Directorate	Unmodified	2	Unmodified
6	Canberra Health Services	Unmodified	3	Unmodified
7	Chief Minister, Treasury and Economic Development Directorate	Unmodified	4	Unmodified
8	Community Services Directorate	Unmodified	5	Unmodified
9	Education Directorate	Unmodified	6	Unmodified
10	Environment, Planning and Sustainable Development Directorate	Unmodified	7	Unmodified
11	Housing ACT	Unmodified	8	Unmodified
12	Justice and Community Safety Directorate	Unmodified	9	Unmodified
13	Lifetime Care and Support Fund	Unmodified	10	Unmodified
14	Major Projects Canberra	Unmodified	11	Unmodified
15	Office of the Legislative Assembly	Unmodified	-	Not applicable
16	Public Sector Workers Compensation Fund	Unmodified	12	Unmodified
17	Superannuation Provision Account	Unmodified	13	Unmodified
18	Territory Banking Account	Unmodified	14	Unmodified

**ACT Audit Office**  
**Explanations Accompanying the Statement of Performance**  
**Year Ended 30 June 2025**

**Note 3. Number of limited assurance reports issued on statements of performance (continued)**

No.		Auditor's Report	No.	Limited Assurance Report
	<b>Directorates (continued)</b>			
19	Transport Canberra and City Services Directorate	Unmodified	15	Unmodified
20	Transport Canberra Operations	Unmodified	16	Unmodified
	<b>Authorities</b>			
21	ACT Electoral Commission	Unmodified	-	Not applicable
22	ACT Gambling and Racing Commission	Unmodified	17	Unmodified
23	ACT Insurance Authority	Unmodified	18	Unmodified
24	Building and Construction Industry Training Fund Authority	Unmodified	19	Unmodified
25	Canberra Institute of Technology	Unmodified	20	Unmodified
26	Cemeteries and Crematoria Authority	Modified	21	Unmodified
27	City Renewal Authority	Unmodified	22	Unmodified
28	Cultural Facilities Corporation	Unmodified	23	Unmodified
29	Independent Competition and Regulatory Commission	Unmodified	24	Unmodified
30	Legal Aid Commission (ACT)	Unmodified	25	Unmodified
31	Long Service Leave Authority	Unmodified	26	Unmodified
32	Motor Accident Injuries Commission	Unmodified	27	Unmodified
33	Office of the Work Health and Safety Commissioner (WorkSafe ACT)	Unmodified	28	Unmodified
34	Public Trustee and Guardian	Unmodified	29	Unmodified
35	Suburban Land Agency	Unmodified	30	Unmodified
36	University of Canberra	Unmodified	-	Not applicable
	<b>Territory-owned corporations and other companies</b>			
37	CIT Solutions Pty Limited	Unmodified	-	Not applicable
38	Icon Distribution Investments Limited	Unmodified	-	Not applicable
39	Icon Retail Investments Limited	Unmodified	-	Not applicable
40	Icon Water Limited	Unmodified	-	Not applicable
41	UCX Ltd	Unmodified	-	Not applicable

**ACT Audit Office**  
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**Note 3. Number of limited assurance reports issued on statements of performance (continued)**

No.		Auditor's Report	No.	Limited Assurance Report
	<b>Joint ventures and partnerships</b>			
42	ActewAGL Distribution Partnership	Unmodified	-	Not applicable
43	ActewAGL Joint Venture Special Purpose Financial Report	Unmodified	-	Not applicable
44	ActewAGL Joint Venture Summary Financial Report	Unmodified	-	Not applicable
45	ActewAGL Retail Partnership	Unmodified	-	Not applicable
46	West Belconnen Joint Venture	Unmodified	-	Not applicable
	<b>Other audits</b>			
47	Capital Region Community Foundation Gift Fund	Unmodified	-	Not applicable
48	Capital Region Community Foundation Open Fund	Unmodified	-	Not applicable
49	Default Insurance Fund	Unmodified	-	Not applicable
50	National Health Funding Pool Account for the ACT	Unmodified	-	Not applicable
51	Office of the Nominal Defendant of the ACT	Unmodified	-	Not applicable
52	Public Trustee and Guardian - Trust Account	Unmodified	-	Not applicable
53	Commonwealth funding under the Local Roads and Community Infrastructure Program	Unmodified	-	Not applicable
54	Commonwealth funding under the <i>National Land Transport Act 2014</i> - Black Spot Projects	Unmodified	-	Not applicable
55	Commonwealth funding under the <i>National Land Transport Act 2014</i> - National Projects	Unmodified	-	Not applicable
56	Commonwealth funding under the <i>National Land Transport Act 2014</i> - Roads to Recovery	Unmodified	-	Not applicable
57	ACT Veterinary Practitioners Board	Unmodified	-	Not applicable
58	Commonwealth Funding under the <i>National Land Transport Act 2014</i> - Roads to Recovery Program 2019-24	Unmodified	-	Not applicable
59	University of Canberra Research Income Return	Unmodified	-	Not applicable
	<b>Compliance audit</b>			
60	Public Trustee and Guardian - Compliance with the <i>Public Ancillary Fund Guidelines 2022</i>	Unmodified	-	Not applicable

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**Note 4. Number of reports, including performance audit and limited assurance, presented to the ACT Legislative Assembly**

This accountability indicator represents the number of reports presented in the ACT Legislative Assembly in 2024-25.

Ten reports were presented to the ACT Legislative Assembly in 2024-25 compared to the target of nine reports.

The following nine performance audit reports were presented to the ACT Legislative Assembly in 2024-25:

Business Transformation Program: ICT renewal activities (Report No. 6/2024)

Reusable Facility Services Procurement (Report No. 7/2024)

Safer Families Levy (Report No. 10/2024)

Governing boards of selected ACT Government entities (Report No. 11/2024)

Invoicing and Payments for Digital Health Record Hosting Services (Report No. 13/2024)

Facilities management and support services for ACT Courts (Report No. 14/2024)

Management of the Growing and Renewing Public Housing Program  
(Report No. 1/2025)

Energy efficiency standard for rental properties (Report No. 2/2025)

Gaming machine licensee regulation (Report No. 4/2025)

The following information report was presented to the ACT Legislative Assembly in 2024-25:

ACT Government long-term plans and strategies (Report No. 3/2025)

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**Note 5. Percentage of agencies satisfied with financial audits and compliance audits**

This accountability indicator provides information on reporting agencies' level of satisfaction with financial audits conducted by the Audit Office.

A survey of reporting agencies is conducted to obtain feedback on the financial audit process and to rate their overall satisfaction with their financial audits completed in 2024-25. This percentage is calculated as the number of reporting agencies that provide a satisfactory or better rating in relation to financial audits completed in 2024-25 divided by the number of agencies that responded to the survey.

While 60 audits were completed in 2024-25, 45 satisfaction surveys were issued as some satisfaction surveys cover multiple audits (e.g. the Icon Water group, ActewAGL Joint Venture and the Public Trustee and Guardian). No surveys are sent in relation to the several small Commonwealth grant acquittal audits.

The Audit Office received survey responses from all 45 (100 percent) reporting agencies surveyed. All 45 agencies provided a satisfactory or better rating to the question on 'overall satisfaction rating with the financial audit'.

Satisfaction rating	Number of responses	%
<b>Satisfied</b>		
Very good	16	36
Good	27	60
Satisfactory	2	4
<b>Sub-total</b>	<b>45</b>	<b>100</b>
Not satisfied (Poor)	0	0
<b>Total</b>	<b>45</b>	<b>100</b>

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**Note 5. Percentage of agencies satisfied with financial audits and compliance audits (continued)**

The percentage of reporting agencies satisfied with financial audits and the one compliance audit performed during 2024-25 (100 percent) exceeded the target (95 percent).

Ninety-six percent (43 of 45) of respondents to the survey rated the Audit Office's performance as 'good' or 'very good'. Comments provided by respondents were generally positive and indicated high levels of satisfaction with the professional and constructive way in which audits were being conducted.

Feedback provided by reporting agencies is considered by the Audit Office and, where appropriate, discussed with agency representatives to improve agency understanding of the audit process and identify ways of improving audit methods and practices.

**Note 6. Percentage of agencies satisfied with performance audits**

This accountability indicator provides information on audited agencies' level of satisfaction with performance audits conducted by the Audit Office.

A survey of agencies subjected to a performance audit is undertaken to rate their satisfaction with performance audits completed during 2024-25. This percentage is calculated as the number of survey responses that provide a satisfactory or better than satisfactory rating for performance audits completed during 2024-25 divided by the number of audited agencies that responded to the survey.

The Audit Office received responses for 12 (92 percent) of the 13 surveys sent.

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**Note 6. Percentage of agencies satisfied with performance audits (continued)**

Satisfaction rating	Number of responses	%
<b>Satisfied</b>		
Very good	5	41
Good	3	25
Satisfactory	2	17
<b>Sub-total</b>	<b>10</b>	<b>83</b>
<b>Not satisfied</b>		
Poor	2	17
Very poor	0	0
<b>Sub-total</b>	<b>2</b>	<b>17</b>
<b>Total</b>	<b>12</b>	<b>100</b>

The percentage of agencies satisfied with performance audits (83 percent) was less than the target (95 percent). Most of the respondents to the survey rated the Audit Office’s performance as ‘good’ or ‘very good’, but two respondents rated the performance of the Audit Office as ‘poor’.

Comments made by one of the relevant agencies included:

The final report seemed to indicate a lack of understanding about the broader context of relevant legislation, including the regulatory environment and resourcing limitations. This suggests that communication between the auditor and the relevant Directorates during the progress of the audit was less than optimal.

The Directorate was provided an opportunity to comment on both the proposed draft and proposed final report and some aspects of feedback provided in comments were taken on board by the auditors. However, the timeframes for providing comment were very constrained, making it difficult to adequately prepare and coordinate comments across Directorates.

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**Note 6. Percentage of agencies satisfied with performance audits (continued)**

The Audit Office also received positive comments in the survey responses from audited agencies, some of which indicated satisfaction with, and endorsement of, Audit Office processes associated with auditee engagement and communication and the professionalism of audit staff:

We appreciate the professionalism of the auditors and the balanced report that has been produced.

Thank you to [the engagement leader] and the audit team involved in this audit. It is thorough, fair and detailed which was needed given the historical timeframe of the audit and the areas involved.

[The directorate] appreciates the engagement with the ACT Audit Office on the [audit]. ... We appreciate the close engagement with the ACT Audit Office – specifically [the engagement leader] – and her clear communication on delays and regarding changes between the Draft Proposed, the Final Proposed, and the Final Reports.

The Directorate acknowledges the professionalism and diligence demonstrated by the ACT Audit Office throughout this engagement. The audit process was conducted in a manner that encouraged respectful dialogue and thoughtful consideration of complex policy issues.

Feedback provided by audited agencies is considered by the Audit Office and, where appropriate, discussed with agency representatives to improve agency understanding of the audit process and identify ways of improving audit methods and practices.

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**Note 7. Percentage of agencies satisfied with the potential for financial audit findings and/or recommendations to improve their financial reporting, governance, or internal controls**

This accountability indicator provides information on reporting agencies' level of satisfaction with audit findings and/or recommendations made during financial audits conducted by the Audit Office.

Reporting agencies were asked in a survey to respond to the 'Potential of the Audit Office's audit findings and/or recommendations to improve the financial reporting, governance or internal controls of our organisation'. This percentage is calculated as the number of agencies that provide a 'satisfactory' or better rating on whether the audit will help their organisation improve administration of the audited activity divided by the number of agencies that respond to the survey question.

Of the 45 survey responses received by the Audit Office in 2024-25, 35 agencies provided a rating to the question. The remaining 10 agencies did not provide a response to the question as no recommendations were made for these financial audits.

<b>Satisfaction rating</b>	<b>Number of responses</b>	<b>%</b>
<b>Satisfied</b>		
Very good	8	23
Good	21	60
Satisfactory	6	17
<b>Sub-total</b>	<b>35</b>	<b>100</b>
<b>Not satisfied</b>		
Poor	0	0
<b>Total</b>	<b>35</b>	<b>100</b>

The percentage of reporting agencies that were satisfied with the potential for financial audit findings and/or recommendations to improve their financial reporting, governance, or internal controls (100 percent) exceeded the target (80 percent).

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**Note 8. Percentage of agencies agreeing that the performance audit will help their organisation improve administration of the audited activity**

This accountability indicator provides information on whether the performance audit will help improve administration of the audited activity. A survey of audited agencies subjected to a performance audit is performed to rate their satisfaction with performance audits completed in 2024-25.

Audited agencies were asked whether ‘the audit will help your organisation to improve administration of the audited activity’. The percentage is calculated as the number of audited agencies that provide an ‘agree’ or ‘strongly agree’ to this question divided by the number of agencies that responded to the survey. The Audit Office received responses for 12 (92 percent) of the 13 surveys sent.

Rating	Number of responses	%
Strongly agree	4	33
Agree	7	59
<b>Sub-total</b>	<b>11</b>	<b>92</b>
Strongly disagree	0	0
Disagree	1	8
<b>Sub-total</b>	<b>1</b>	<b>8</b>
Neither agree nor disagree	0	0
Unsure	0	0
<b>Sub- total</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>12</b>	<b>100</b>

The percentage of agencies that thought the audit would help them improve the administration of the audited activity (92 percent) exceeded the target (80 percent). Almost all of the respondents to the survey ‘agreed’ or ‘strongly agreed’ with the statement. One respondent to the survey disagreed with the statement. In its response to the survey, the relevant agency noted:

[The directorate] considers that aspects of the relevant policy landscape were not fully appreciated by the auditors and considers that this lack of understanding diminishes the utility of the report’s framing of the implementation of the policy, as well as the utility of the recommendations made by the auditor.

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**Note 8. Percentage of agencies agreeing that the performance audit will help their organisation improve administration of the audited activity (continued)**

Feedback provided by audited agencies is considered by the Audit Office and, where appropriate, discussed with agency representatives to improve agency understanding of the audit process and identify ways of improving audit methods and practices.

**Note 9. Percentage of financial audits completed within the required timetable**

The 'required timetable' refers to the reporting and audit timetable issued by the Chief Minister, Treasury and Economic Development Directorate to meet legislative requirements or, where there is no legislative timeframe, the timeframe agreed between the Audit Office and reporting agency. This percentage is calculated as the percentage of financial audits completed within the required timetable divided by the number of audits completed.

The Audit Office plans to complete all financial audits within the 'required timetable'. Meeting this timetable is challenging and depends on many factors which are outside the control of the Audit Office. For example, for audits to be completed by the required date, reporting agencies need to:

- provide satisfactory financial statements and supporting work papers to the Audit Office by the planned date; and
- respond in a timely manner to requests from the audit team for information.

In 2024-25, the Audit Office completed 98 percent (59 of 60) of the financial audits within the required timetable which was slightly lower than the target of 100 percent.

Delays were experienced with one audit as the certified financial statements were provided to the Audit Office three days later than anticipated. The auditor's report was issued on the same day of the receipt of the certified financial statements.

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**Note 10. Average period of completion of performance audits**

This accountability indicator reports the average duration of a performance audit, from commencement to completion during the reporting period.

A performance audit is commenced when an engagement letter is sent to the relevant agency head or their equivalent – even though some planning activity is usually undertaken prior to the commencement of the audit. The completion date is the date the report is presented to the Speaker of the ACT Legislative Assembly for tabling.

The indicator is calculated as the total duration of all performance audits (in months) divided by the number of performance audit reports issued during the reporting period.

Report	Months
Business Transformation Program: ICT renewal activities (Report No. 6/2024)	12.7
Reusable Facility Services Procurement (Report No. 7/2024)	5.6
Safer Families Levy (Report No. 10/2024)	16.4
Governing boards of selected ACT Government entities (Report No. 11/2024)	8.2
Invoicing and Payments for Digital Health Record Hosting Services (Report No. 13/2024)	3.3
Facilities management and support services for ACT Courts (Report No. 14/2024)	14.7
Management of the Growing and Renewing Public Housing Program (Report No. 1/2025)	12.3
Energy efficiency standard for rental properties (Report No. 2/2025)	12.9
Gaming machine licensee regulation (Report No. 4/2025)	21.2
<b>Average period of completion of performance audits</b>	<b>11.9</b>

**ACT Audit Office**  
**Explanations Accompanying the Statement of Performance**  
**Year Ended 30 June 2025**

**Note 10. Average period of completion of performance audits (continued)**

The average time to complete a performance audit will vary due to the size and complexity of the audit and circumstances under which the audit is performed. The average period of completion of performance audits in 2024-25 was 11.9 months compared to the target of 11.0 months.

Reasons for exceeding the target time varied according to the audit. Audits may also be impacted by factors not within the control of the audit team and Audit Office.

Some audits are complex in nature and involve multiple agencies. Other audits require extensive consultation with internal and external stakeholders during the reporting process. The timely completion of some audits is also affected by other competing priorities of the ACT Audit Office.

The Audit Office continues to look for more ways to improve performance and build resilience into the audit process, including using contractors and subject matter experts to support audit teams.

## Appendix A: Financial Audit Fees

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Subsection 11A(5) of the A-G Act requires the Audit Office to disclose the basis on which the Auditor-General decided fees for audits conducted during the reporting period.

Financial audit fees are based on an estimate of the time and cost of completing each audit. This estimate is prepared before the audit is performed and communicated to reporting agencies during the planning phase of the audit.

Estimates of financial audit fees are mainly based on information on the time taken and costs incurred in completing the financial statements audit and limited assurance engagement on the statement of performance (where applicable) in recent years while taking into account known factors that would cause significant changes to the cost of audits.

These include changes to:

- accounting, reporting and audit requirements;
- information and other systems used to prepare the financial statements;
- the cost of using information technology, accounting, taxation and actuarial experts;
- the number and type of accountability indicators;
- administrative arrangements; and
- Audit Office staff salaries and overhead costs.

Where an audit is being undertaken primarily by contractors, audit fees are based on the expected contract cost plus an estimate of the time and cost of work by staff from the Audit Office on the audit.

The Audit Office attempts to minimise fee variations between years to provide budget consistency and certainty, especially for small reporting agencies. This practice means that the Audit Office:

- will, in nearly all cases, charge the estimated audit fees communicated to reporting agencies during the planning phase regardless of actual costs that are subsequently incurred on the audit. This practice results in surpluses and deficits occurring on individual audits; and
- may change fees on the basis of the time and costs incurred on an audit over a number of years particularly where significant surpluses or deficits are generated, rather than amending fees whenever a surplus or deficit is recorded.

When estimating fees for audits, the Audit Office seeks to recover the costs of completing the annual program of financial audits. A small surplus or deficit is estimated when setting fees for the entire annual financial audit program.

Audit fees contribute to meeting the costs of other activities such as developing the Audit Office’s financial audit methodology, staff training, working with reporting agencies on emerging audit and accounting issues and quality assurance work.

**Table 1: Summary of financial audit fees**

	<b>2023-24 Actual Audit Fees \$</b>	<b>2024-25 Estimated Audit Fees \$</b>
Territory’s financial statements (refer Table 2)	321 650	260 051
Directorates (refer Table 2)	3 665 068	3 660 523
Statutory authorities (refer Table 3)	1 565 375	1 697 119
Territory-owned corporations and companies (refer Table 4)	473 170	536 318
Joint ventures and partnerships (refer Table 5)	720 314	491 910
Other audits (refer Table 6)	191 405	289 475
<b>Total financial audit fees</b>	<b>6 936 982</b>	<b>6 935 396</b>

Source: Audit Office records

Table 1 shows that while there are some variances with the prior year for some categories of audit fees, they largely offset each other. Therefore, total financial audit fees for 2024-25 are estimated to remain consistent with the prior year.

Financial audit fees charged to agencies are presented in Tables 1 to 6 of this Appendix. These fees vary from that reported in the Audit Office’s financial statements because the revenue from the provision of financial audit services is recognised over time as the Audit Office satisfies its performance obligation of completing the audit work.

Explanations for significant changes to fees on individual audits other than the increase in Office costs are provided after Table 6.

Estimated financial audit fees excluding GST are for audits with reporting periods ending 31 December and 30 June.

**Further information can be obtained from:**

Mr Ajay Sharma PSM, Assistant Auditor-General, Financial Audit on telephone number (02) 6207 0830 or email [Ajay.Sharma@act.gov.au](mailto:Ajay.Sharma@act.gov.au).

**Table 2: Financial audit fees – The Territory and directorates**

	<b>Note No.</b>	<b>2023-24 Actual Audit Fees \$</b>	<b>2024-25 Estimated Audit Fees \$</b>
<b>Territory's financial statements</b>			
Territory's consolidated annual financial statements	1	321 650	260 051
<b>Total</b>		<b>321 650</b>	<b>260 051</b>
<b>Directorates</b>			
ACT Electoral Commission		43 920	45 457
ACT Executive		43 920	56 507
ACT Health Directorate	2	278 915	175 929
ACT Integrity Commission		53 534	55 408
ACT Local Hospital Network Directorate		69 339	73 145
Canberra Health Services	3	250 195	300 273
Chief Minister, Treasury and Economic Development Directorate		632 620	625 054
Community Services Directorate		169 369	173 934
Education Directorate		204 919	222 495
Environment, Planning and Sustainable Development Directorate		248 049	255 367
Housing ACT		181 521	187 379
Justice and Community Safety Directorate		346 493	357 257
Lifetime Care and Support Fund		67 367	74 725
Infrastructure Canberra (Previously Major Projects Canberra)	4	243 753	205 154
Office of the Legislative Assembly		64 273	66 523
Public Sector Workers Compensation Fund		68 857	80 439
Superannuation Provision Account		62 817	65 015
Transport Canberra and City Services Directorate		376 132	389 288
Transport Canberra Operations		204 175	194 353
Territory Banking Account		54 900	56 821
<b>Total</b>		<b>3 665 068</b>	<b>3 660 523</b>

Explanatory notes are provided after Table 6 in this Appendix.

**Table 3: Financial audit fees – Territory authorities**

	<b>Note No.</b>	<b>2023-24 Actual Audit Fees \$</b>	<b>2024-25 Estimated Audit Fees \$</b>
<b>Territory authorities</b>			
ACT Gambling and Racing Commission		54 900	56 821
ACT Insurance Authority		76 252	90 446
Building and Construction Industry Training Fund Authority		40 546	41 577
Canberra Institute of Technology		224 031	218 246
Cemeteries and Crematoria Authority		99 784	96 785
City Renewal Authority		73 538	75 975
Cultural Facilities Corporation		81 413	110 207
Independent Competition and Regulatory Commission		47 349	48 620
Legal Aid Commission (ACT)		72 843	99 127
Long Service Leave Authority		80 311	107 357
Motor Accident Injuries Commission		33 548	39 547
Office of the Work Health and Safety Commissioner (WorkSafe ACT)		42 849	61 036
Public Trustee and Guardian		54 900	61 241
Suburban Land Agency		235 664	242 687
University of Canberra		347 447	347 447
<b>Total</b>		<b>1 565 375</b>	<b>1 697 119</b>

Explanatory notes are provided after Table 6 in this Appendix.

**Table 4: Financial audit fees – Territory-owned corporations and companies**

	<b>Note No.</b>	<b>2023-24 Actual Audit Fees \$</b>	<b>2024-25 Estimated Audit Fees \$</b>
<b>Territory-owned corporations and companies</b>			
CIT Solutions Pty Limited		53 431	53 431
Icon Water Limited (including Icon Water Distribution Investments Limited and Icon Water Investments Limited)	5	360 601	423 749
UCX Ltd		59 138	59 138
<b>Total</b>		<b>473 170</b>	<b>536 318</b>

Explanatory notes are provided after Table 6 in this Appendix.

**Table 5: Financial audit fees – joint ventures and partnerships**

	<b>Note No.</b>	<b>2023-24 Actual Audit Fees \$</b>	<b>2024-25 Estimated Audit Fees \$</b>
<b>Joint ventures and partnerships</b>			
ActewAGL Joint Venture	6	654 434	417 094
West Belconnen Joint Venture		65 880	74 816
<b>Total</b>		<b>720 314</b>	<b>491 910</b>

Explanatory notes are provided after Table 6 in this Appendix.

**Table 6: Financial audit fees – other audits**

	<b>Note No.</b>	<b>2023-24 Actual Audit Fees \$</b>	<b>2024-25 Estimated Audit Fees \$</b>
<b>Other audits</b>			
ACT Veterinary Practitioners Board	7	6 603	-
ACT Private Buildings Cladding Scheme Loans Trust	8	-	44 200
ACT Sustainable Household Scheme Loans Trust	9	-	44 200
Capital Region Community Foundation Gift Fund		4 392	4 546
Capital Region Community Foundation Open Fund		4 392	4 546
Commonwealth Funding for Roads Program (several small grant acquittal audits)		21 960	26 520
Community Housing Canberra - Common Ground Dickson Tenancy and Property Management and Tenancy Support Services	10	9 856	-
Community Housing Canberra - Trust Account under the Territory Property Management Agreement	11	4 545	-
Default Insurance Fund		35 974	42 233
National Health Funding Pool – ACT State Pool Account		20 246	20 955
Office of the Nominal Defendant of the ACT		35 974	42 233
Public Trustee and Guardian - compliance with the <i>Public Ancillary Fund Guidelines 2011</i>		6 588	6 819
Public Trustee and Guardian - Trust Account		39 528	47 331
University of Canberra Research Income Return		5 892	5 892
<b>Total</b>		<b>195 950</b>	<b>289 475</b>

**Explanatory notes**

Note 1: The higher fees in 2023-24 were mainly to recover the cost of additional resources needed to complete the audit one month earlier in an election year in accordance with the *Financial Management Act 1996*.

Note 2: The higher fees in 2023-24 were mainly due to additional work being performed over payments made to the supplier of the Digital Health Record system.

Note 3: The higher fees in 2023-24 were mainly to recover the contractor costs to review the IT controls over the Digital Health Record system as well as IT controls over various IT systems at the North Canberra Hospital.

Note 4: The higher fees in 2023-24 were mainly to recover the costs of reviewing two complex accounting matters relating to the Light Rail Stage 2a and the ACT Private Buildings Cladding Loans Scheme.

Note 5: The higher fees in 2024-25 is mainly to recover the contractor costs to audit Icon Water's transition to their new finance system.

Note 6: The higher fees in 2023-24 were mainly to recover the contractor costs to perform a post implementation review of ActewAGL's new finance system as part of their financial audit.

Note 7: This audit is only performed once every three years at the request of the ACT Veterinary Practitioners Board.

Notes 8 & 9: These are new audits performed at the request of the agencies responsible for these schemes.

Notes 10 & 11: These audits are no longer required to be performed by the Audit Office.



## Appendix B: Compliance index

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<b>Reports Published in 2024-25</b>	
Report No. 04 - 2025	Gaming machine licensee regulation
Report No. 03 - 2025	ACT Government long-term plans and strategies
Report No. 02 - 2025	Energy efficiency standard for rental properties
Report No. 01 - 2025	Management of the Growing and Renewing Public Housing Program
Report No. 14 - 2024	Facilities management and support services for ACT Courts
Report No. 13 - 2024	Invoicing and payments for Digital Health Record hosting services
Report No. 12 - 2024	2023-24 Financial Audits – Financial Results and Audit Findings
Report No. 11 - 2024	Governing boards of selected ACT Government entities
Report No. 10 - 2024	Safer Families Levy
Report No. 09 - 2024	2023-24 Financial Audits – Overview
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Report No. 05 - 2024	Management and oversight of ACT Policing services
Report No. 04 - 2024	Planning and delivery of services for young people with moderate to severe mental illness
Report No. 03 - 2024	Management of the Growing and Renewing Public Housing Program
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Report No. 01 - 2024	Urban Tree Management
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Report No. 10 - 2023	Human Resources Information Management System (HRIMS) Program
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Report No. 08 - 2023	Supports for students with disability in ACT public schools
Report No. 07 - 2023	Annual Report 2022-23
Report No. 06 - 2023	Implementation of the ACT Aboriginal and Torres Strait Islander Agreement
Report No. 05 - 2023	Activities of the Government Procurement Board

These and earlier reports can be obtained from the ACT Audit Office or the ACT Audit Office's website: <http://www.audit.act.gov.au>