



Tasmanian
Audit Office



Annual Report 2023-24

15 October 2024

Acknowledgement of Country

In recognition of the deep history and culture of Tasmania, we acknowledge and pay respect to Tasmanian Aboriginal people, the past and present custodians of this island. We respect Tasmanian Aboriginal people, their culture and their rights as the first peoples of this land. We recognise and value Aboriginal histories, knowledge and lived experiences and commit to being culturally inclusive and respectful in our working relationships.

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This report is available online at: www.audit.tas.gov.au/publication-category/annual-report/

If you would like further information on this Report or other reports of the Tasmanian Auditor-General, please contact us using the details below:

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16 October 2024

Hon Michael Ferguson MP
Treasurer
Parliament House
HOBART TAS 7000

Dear Treasurer

Tasmanian Audit Office – Annual Report 2023-24

In accordance with the requirements of section 36 of the *State Service Act 2000* and sections 42 and 44 of the *Financial Management Act 2016*, I am pleased to submit, for presentation to Parliament, the Annual Report of the Tasmanian Audit Office (the Office) for the year ended 30 June 2024.

This report covers the activities of the Office for the reporting period 1 July 2023 to 30 June 2024. It provides a summary of our achievements against our strategic plan and performance measures.

The report is structured around our strategic focus areas of impact, quality, and efficiency. It is an important part of our accountability to all Tasmanians, Parliamentarians, the Parliamentary Standing Committee of Public Accounts, client agencies and employees of the Office.

The financial statements within this report were prepared in accordance with Australian Accounting Standards, the Treasurer's Instructions and other authoritative requirements.

Yours sincerely

Martin Thompson
Auditor-General

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Message from the Auditor-General

Impact, quality and efficiency

I take pleasure in presenting the annual report of the performance and functions of the Tasmanian Audit Office (the Office) for the 2023-24 financial year. Having commenced my term as Auditor-General on 1 May 2024, this is my first annual report. This report continues to focus on the 3 key pillars of our Strategic Plan 2021-2024 – impact, quality and efficiency – and highlights major achievements during 2023-24 arising from the implementation of the plan.



Impact

Our impact is achieved through focusing on topics that matter to Tasmanians, improving the timeliness and communication of our work, sharing insights and strengthening engagement. This year, we submitted 6 reports to Parliament, making them publicly available and contributing to greater transparency and confidence of Tasmanians in our public sector.

The reports covered the results of financial statement audits of all State entities, including both analyses of important financial information as well as summaries of the more significant findings noted during the conduct of the audits. The performance audit reports covered a wide range of activities across areas as diverse as the realisation of benefits from digital initiatives, management of major office accommodation, access to oral health care and the delivery of private works by local governments.

Measuring and improving the impact of audits remains an area of focus for the Office and will be a key part of our new strategic plan that is currently under development.

Quality

Quality in the Office is driven by supporting our people to be engaged, highly skilled and strong performers, aided by an innovative data-driven audit methodology and full compliance with professional and ethical standards.

Once again, our team reported a high engagement score in this year's Tasmanian State Service Employee Survey, reinforcing the significant improvement from earlier surveys. The survey highlighted that staff value on working in a good team environment and are highly motivated to serve and make a difference to the Tasmanian community through the work that we perform.

This year, the Office was subject to an external review of the efficiency, effectiveness and economy of the delivery of our activities. The report covers the period 2019-2023 and observes that over those 5 years, Tasmania, along with the rest of Australia, faced significant challenges both domestically and internationally. Those challenges included major natural disasters, a pandemic that changed the way most of us lived, worked and played, and changes to major government initiatives and programs. In the opinion of the reviewer, the Office had successfully navigated through turbulent times and served the State as required, despite those obstacles. The report concludes that on the whole, the

Office fulfills its functions economically, effectively and efficiently. As this provides a very solid platform for the future, I would like to acknowledge former Auditor-General Rod Whitehead for his achievements and stewardship of the Office over the past 8 years.

Efficiency

Our efficiency strategies focus on a flexible and collaborative organisational structure with streamlined business processes, measuring what matters and embracing new technology. Our level of turnover reduced significantly in the current year, which has enabled a number of improvements to be achieved in the delivery of our audit activities.

This improvement in retention has led to an improvement in the timeliness of our audits of State entity financial statements for 31 December 2022 and 30 June 2023. Of these audits, 66.9% were completed within the statutory time period of 45 days from the date of receiving the financial statements, up from 58.3% the preceding year.

However, given the volatility of our environment, we continue to maintain a strong focus on recruitment and retention for key roles and responsibilities. We have also continued to support the development of our existing team members through structured and informal learning models. These approaches have helped to drive efficiency improvements and build a greater capacity to provide impactful financial and performance audit reports to Parliament.

Looking forward

We are entering a period of significant change to the audit profession. Rapid changes in technology, including in AI and data analytics tools, present both challenges and opportunities. With the rapidly approaching requirements for State entities operating under the *Corporations Act 2001* to adopt sustainability reporting and the likely requirement for others to follow, the Office will need to develop an assurance capacity to audit these new requirements.

These challenges require us to update and strengthen how we approach our work to meet the expectations of Parliament and the citizens of Tasmania. This, along with the development of a clear employee value proposition, will all be considered in the development of our new 2025-2028 Strategic Plan during 2024-25.

In closing

I would like to express my appreciation to everyone in the Office who has welcomed me to the role and to Tasmania, and to all who have contributed to our achievements this year through their commitment and professionalism. I also thank Parliament and the Parliamentary Standing Committee of Public Accounts for their continued support throughout the year.

Martin Thompson
Auditor-General

Highlights for 2023-24



Our year in brief



We delivered 7 reports to Parliament:

- 2 volumes of the Auditor-General's Report on the outcomes of financial audits, with 314 new findings and recommendations
- 4 reports on the outcomes of performance and audits
- our Annual Report for 2022-23.

We presented the Auditor-General's Annual Plan for 2024-25 to the Parliamentary Standing Committee of Public Accounts and delivered it to the President of the Legislative Council and the Speaker of the House of Assembly within statutory timeframes.

Our staff provided briefings to Members of Parliament on all tabled reports and gave evidence at 2 Parliamentary committees.



Our team delivered 4 client information sessions on contemporary governance and financial reporting topics to 275 agency, government business and local government representatives.



We continued work on our 4-year project to integrate data analytics into our audit activities, setting the Office on a path to greater efficiencies and effectiveness in our audit approach.



We received an unmodified audit opinion on our 30 June 2024 financial statements, within the required timeframe, and received an unmodified review opinion on our key performance indicators.



We underwent 4 internal audit reviews to inform improvements to our systems and processes, with opportunities identified for our quality assurance framework and procurement processes.



Overall results from the 2024 State Service Employee Survey of our staff were overwhelmingly positive, with a response rate of 87.3% and an engagement rate of 75.0%.



Our role

Our role

The office of Auditor-General and the Tasmanian Audit Office (the Office) are established under the *Audit Act 2008* (Audit Act) and *State Service Act 2000* (State Service Act), respectively. Our purpose is to provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public Sector.

We achieve this by auditing financial statements of State entities and by conducting audits, examinations and investigations. From this work, we make recommendations that promote accountability and transparency in government and improve State entity performance.

Our audits allow us to identify common issues and provide useful insights for members of parliament, the public and the agencies we audit. We make recommendations on how agencies can improve services and function more economically, efficiently and effectively.

The Auditor-General publishes an Annual Plan, which outlines what we plan to audit or examine in the forward years and the reports we expect to table in Parliament. You can read more about our role and our Annual Plan of Work for 2024-25 on our website at www.audit.tas.gov.au.

Financial audits

Each year we audit more than 120 State entity financial statements and complete more than 80 other audits by arrangement.

Financial audits provide assurance that the information contained in State entity financial statements is reliable, relevant, presented fairly and in accordance with Australian Accounting Standards and relevant legislation. The results of these audits are published each year in the Auditor-General's Report on the financial statements of State entities.

We also undertake audits by arrangement, such as regulatory financial statements and grant or funding acquittals. We produce model financial statements for local government, which aim to assist councils in meeting their statutory financial reporting obligations. We also provide feedback on Treasury's model financial statements for government departments.

Performance audits

We undertake performance audits to provide Parliament with assurance on the administration of government entities and programs and to help public sector managers in their work, by identifying and promoting better administrative and management practices. We also have 'follow-the-dollar' powers, which allow us to audit community-sector and for-profit organisations that have been contracted to provide government services.

During 2023-24, we completed 4 performance audits. The audit reports are summarised below and available in full from the Performance Audit Reports section of our [website](#).

Realising benefits from digital initiatives in the Tasmanian State Service

The objective of this audit was to assess whether digital initiatives within the Tasmanian State Service were being planned and monitored to deliver intended outcomes.

For the purposes of this audit, a 'digital initiative' was defined as 'any initiative that used digital technology to improve organisational processes, improve interactions between people, organisations and things, or to make new business models possible'. 'Digital' was defined as 'the representation of physical items or activities through binary code'.

This audit examined digital initiatives currently being implemented by all 8 public sector agencies. This audit did not examine whether digital initiatives provided value for money.

Overall, we found agencies were broadly effective in planning and monitoring digital initiatives to deliver intended outcomes. However, there were elements of the Department of Justice Astria Program (JusticeConnect) where governance and ongoing monitoring had not performed to the expected level. We made 7 recommendations to improve the way that digital initiatives are managed to achieve outcomes and benefits.

Private works undertaken by councils

The objective of this review was to form a limited assurance conclusion on the effectiveness of councils' management of private works. We examined all 29 councils to determine whether their private works processes were transparent and consistent, and whether their charges for private works complied with relevant legislative requirements.

We found that councils largely did not have specific private works policies in place and did not always follow their own procedures in deciding to undertake private works. It was found that a small number did not manage conflicts of interest in accordance with their own guidance. We made 4 recommendations to improve the way that councils manage private works.

Access to oral health services

This audit assessed whether Oral Health Services Tasmania (OHST) had arrangements in place that efficiently and effectively facilitated access to public oral health services. The focus on access was broader than waiting for treatment; it also included community education on good oral health and access to preventative care.

The audit also examined trends in oral health data since 2013-14. We found that OHST's work was driven by its funding models to focus on the more acute dental interventions as well as focus on children and high priority groups in the population. The consequence is that limited resources are available for preventative and early intervention work. As a result, adult waiting lists for general care have grown. We made 6 recommendations aimed to improve access to these services.

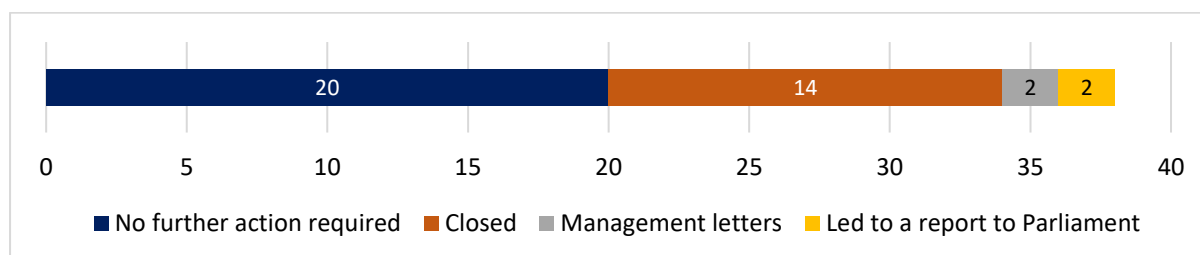
Management of major office accommodation

The audit focused on Treasury's role in centrally managing office accommodation and was limited to leases defined as 'major office accommodation leases'. We made 2 recommendations aimed at improving the use of data to support strategic planning across government to better utilise office accommodation.

Referrals

From time-to-time, Members of Parliament, accountable authorities of State entities, elected officials or members of the Tasmanian community refer matters to us for performance audit or investigation consideration.

In 2023-24, we received 38 new referrals, which was an increase on the 34 received in the previous year. Of these, 20 did not require further action. Of the 18 requiring further work, 14 were closed, 2 resulted in management letters, 2 resulted in 1 report to Parliament and none were referred on to other integrity agencies:



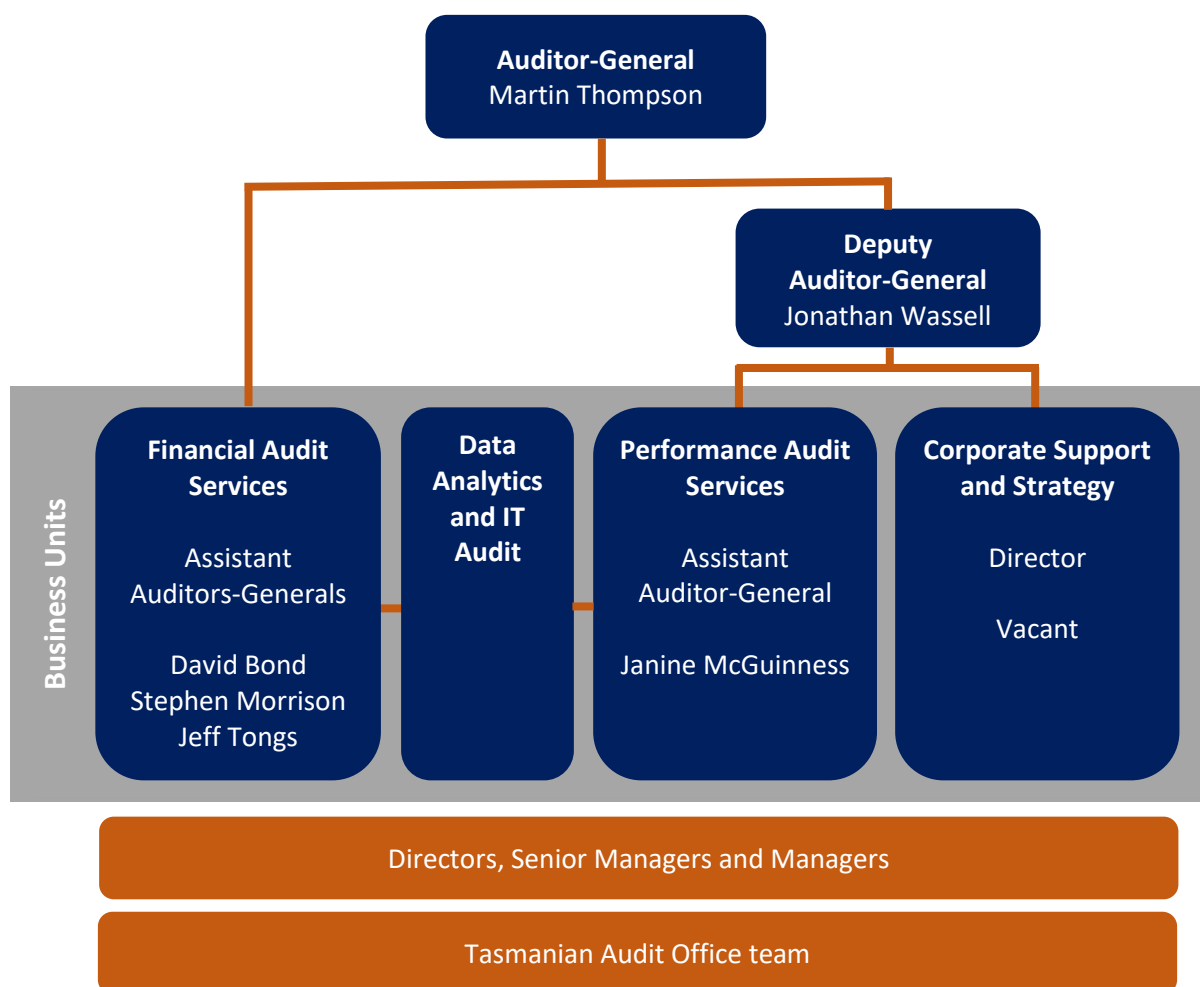
Services to Parliamentarians and State entities

We provide other services to Parliamentarians and State entities to foster enhanced accountability and performance and to promote better practice in the public sector. These include:

- presenting audit findings and recommendations to Members of Parliament following the tabling of an audit report, providing an opportunity for them to obtain a greater understanding of findings
- meeting with the Parliamentary Standing Committee of Public Accounts to brief them on our audit plans and reports
- providing advice and assistance to Parliament and making submissions to parliamentary committees on matters relevant to their inquiries
- providing briefings to Legislative Council Business Scrutiny Committees
- providing advice to Members of Parliament on the role of the Auditor-General and responding to inquiries from Members of Parliament, State entities and the public, which sometimes lead to the conduct of audits
- presenting to parliamentary delegates from other jurisdictions on the role of the Auditor-General
- providing comments to Tasmanian Government agencies and other State entities on various matters such as draft Treasurer's Instructions, financial management proposals and the development of accountability proposals such as audit committee charters
- providing guidance to State entities arising from our audit work in specific areas of governance, management and accountability.

Leadership and governance

Our organisational structure at 30 June 2024 is shown below.



In May 2024, the Office welcomed Martin Thompson as the new Auditor-General.

Our Senior Leadership Group, Performance Audit team, Data Analytics and IT Audit team and Corporate Support and Strategy team are all currently based in our Hobart office along with 2 Financial Audit teams, with 1 financial audit team based in our Launceston office.

Executive Committee

Our Executive Committee assists the Auditor-General by ensuring the Office meets service delivery obligations and core business objectives. Meeting fortnightly during 2023-24, our Executive comprised the Auditor-General, Deputy Auditor-General, an Assistant Auditor-General from Financial Audit Services and the Assistant Auditor-General Performance Audit Services.

Senior Leadership Group

Our Senior Leadership Group is responsible for the implementation of the Office's strategic plan and the management of risk. The group met quarterly during 2023-24 and comprised

the Auditor-General, Deputy Auditor-General, all Assistant Auditors-General, the Director Corporate Support and Strategy and the Directors Financial Audit Services.



Image: Strategic leadership group (L-R) Top row: Jeff Tongs (Assistant Auditor-General (AAG) Financial Audit Services), Jonathan Wassell (Deputy Auditor-General), Janine McGuinness (AAG Performance Audit Services), Bottom row: Stephen Morrison (AAG Financial Audit Services), Martin Thompson (Auditor-General), David Bond (AAG Financial Audit Services).

Risk and Audit Committee

The Office has a Risk and Audit Committee in accordance with the Treasurer's Instruction *FC-2 Internal Audit*. During 2023-24, the Committee comprised 2 independent external members, an employee of the Office appointed by the Auditor-General and the Auditor-General as an ex officio member.

The Office is pleased to report that the following individuals served on the Risk and Audit Committee during 2023-24:

- **Independent chair:**
 - David Hudson (July 2022 to December 2023)
 - Elizabeth Lovett (January 2024 to present)
- **Independent member:**
 - Elizabeth Lovett (July 2022 to December 2023)
 - Margaret Archer (January 2024 to present)
- **Employee appointed by the Auditor-General:**
 - David Bond (July 2023 to present)

- **Auditor-General:**
 - Rod Whitehead (ceased March 2024)
 - Martin Thompson (commenced May 2024).

The Committee provides assistance to the Auditor-General in fulfilling corporate governance responsibilities relating to our financial and performance reporting, including the preparation of the annual report and audit of the financial statements; system of risk oversight and management; and system of internal control, including internal control framework, legislative and policy compliance, internal audit coverage and performance reporting.

The Committee monitors the activities and effectiveness of internal audit, management responses to external reviews and the implementation of recommendations arising from these reviews.

Internal audit

Our internal auditor, Grant Thornton, assesses the quality and performance of specific functions performed by the Office. The Risk and Audit Committee, along with the internal auditor, develops the internal audit plan before the beginning of each financial year.

During 2023-24, Grant Thornton completed 4 internal audit reviews as follows.

Procurement compliance review – August 2023

This review, instigated by the Office, focused on a self-reported instance of non-compliance with sections 5.4 and 5.5 of *Procurement Framework – 5* which outlines the requirements of an agency to convene a Procurement Review Committee (PRC) where the estimated value of a procurement is \$250,000 or more.

The review made 6 recommendations including on clarifying roles and responsibilities, training and updating various internal documentation and the PRC charter. A root cause analysis was undertaken, and all recommendations have been fully implemented within the reporting year.

Audit quality review – Interim report – October 2023

This review focused on the design of the Office's system of quality management implemented to meet the requirements of the Australian Standards on Quality Management ASQM 1 and ASQM 2, and the Australian Standard on Auditing ASA 220.

The interim report outlined 3 findings and 3 opportunities for improvement with 9 management action plans. Of the 9 actions, 6 have been completed and of the remaining low risk actions, 1 is underway and 2 are yet to commence. These low-risk actions mostly relate to updating the Office's risk register. This work will be scheduled following a review of the risk register in light of the new strategic plan for 2025-2028.

Audit quality review – Final report – November 2023

This review focused on the implementation of the Office’s system of quality management.

The review concluded that: *“The system of quality management provides the firm (sic) with reasonable assurance that the objectives of the system of quality management are being achieved.”*

Procurement review and data analytics – May 2024

This review was conducted as part of the Risk and Audit Committee’s regular internal audit plan. It involved assessing the Office’s policy and procedural documentation against the relevant Treasurer’s Instructions, evaluating a recent procurement of audit services in terms of alignment with approved processes and better practice guidelines.

The review found that the Office’s control environment in terms of the level and type of procurement activity undertaken was acceptable, with 3 observations which, when rectified, would further strengthen the procurement framework. All recommendations have been implemented within the reporting year.

The review followed up on all recommendations previously put forward and concluded that it was evident that significant work has been carried out to uplift the procurement framework in line with those recommendations, all of which appear to have been addressed. The 1 previous recommendation that remains outstanding relates to a required update to the Finance Manual of the Department of Justice which it is anticipated will be addressed in 2024-25.

Periodic review of the Office

Under section 44 of the *Audit Act 2008*, the Office is subject to a review of the efficiency, effectiveness and economy of its operations at least once in every 5-year period.

The 2024 review report is available from our [website](#). The review report concluded that, on the whole, the Office fulfils its functions economically, effectively and efficiently. The report made 25 recommendations for improvement, 17 of which were completed in the reporting period, with 7 underway and 1 yet to commence.

Our strategic focus



Our strategic focus

This section provides a snapshot of our achievements against our Strategic Plan 2021-2024. In our third and final year of reporting against this Plan, our Office has made positive gains in each of our 3 key strategic focus areas of impact, quality and efficiency.

Our Strategic Plan is available on our website: www.audit.tas.gov.au.

Impact

Making a difference to the bodies we audit, the Parliament and the public by enhancing the relevance and impact of our work.

Strategy: Focus on topics that matter to Tasmanians

What success looks like	What we achieved
Broader input into identification of potential performance audits	We held 60 individual stakeholder engagement meetings with Parliamentarians, heads of agencies, Chairs of Audit Committees, CEOs and other key personnel in our client organisations. These meetings were utilised to discuss our audit approach, seek input into our annual audit plan, explore external or internal developments impacting the entity and current or emerging sector or industry trends to assist in refining our audit topic matrix, which comprises possible future audits.
More targeted annual plan of work	Our 2024-25 Annual Plan was released in June 2024. The Annual Plan outlines the work program for the coming financial year, providing the Tasmanian Parliament, public sector and community with an understanding of audit priorities for 2024-25. Priority areas of focus include the ongoing financial audit program and issues that matter to Tasmanians, including whether the length of custodial stays at Ashley Youth Detention Centre align with sentencing orders, as recommended by the Final Report of the Commission of Inquiry into the Tasmanian Government's Responses to Child Sexual Abuse in Institutional Settings. The Annual Plan was developed through continuous monitoring of public sector issues and extensive consultation with relevant stakeholders.

Strategy: Improve the timeliness of our work

What success looks like	What we achieved
Statutory reporting timeframes met	<p>The Auditor-General must issue an audit report on the financial statements of State entities and audited subsidiaries of State entities within 45 days of the date of submission.</p> <p>For the December 2022 and June 2023 audits, we completed 66.4% of our audits within the statutory timeframe, which was an improvement</p>

What success looks like	What we achieved
	<p>on our performance in the prior year where we completed 58.3% within the statutory timeframe.</p> <p>To enhance our audit process efficiency and timely delivery of key services, we conducted a comprehensive root cause analysis of delays in finalising audits in 2022-23. Based on these findings, in 2023-24 we have implemented several strategic actions, including increased staffing, enhanced training and improved workload management.</p> <p>We are also actively addressing ongoing initiatives such as re-examining our resource models, finetuning financial audit services, conducting a comprehensive review of performance audit services and improving compliance and support services. To ensure our team is well prepared for future challenges, we are developing a comprehensive competency framework and skills matrix that will guide our recruitment, training and development efforts.</p>
Annual plan of work delivered	<p>As noted above, our 2024-25 Annual Plan was released in June 2024.</p> <p>The delivery of an audit in response to the recommendations from the Commission of Inquiry into the Tasmanian Government’s Responses to Child Sexual Abuse in Institutional Settings and resource constraints meant deferral of some performance audits. However, we delivered on those that have the greatest impact for Tasmanians, including the effective delivery of digital initiative outcomes across government departments and accessible and effective provision of oral health services.</p>
Performance better than average in benchmarks against our interstate audit peers	<p>We performed better than average in 2 of 3 key measures against our public sector audit office peers interstate.</p> <p>Our performance audits are efficient, costing less than the national average. In financial audit, we have enhanced reporting, shifting towards a more efficient audit approach, focusing on internal controls to improve audit effectiveness.</p>

Strategy: Improve the impact of our work

What success looks like	What we achieved
Greater external focus	<p>We have continued to undertake briefings and presentations to a broad range of stakeholders, seeking to understand significant external developments. We continue to communicate audit findings through presentations, media releases and reports to Parliament published on our external website.</p> <p>We continue to undertake activities that aim to increase the impact of audits, enhance the audit function provided to Parliament and the community and contribute to the development of audit and accountability in the Tasmanian public sector.</p>
Diversified, enhanced communication	<p>We continued our approach of making video recordings of our client information sessions available for viewing on our website.</p> <p>We provided more transparent communication of our financial audit focus areas, which in 2023-24 were general information technology controls, expenditure controls, key management personnel disclosures and management of third-party providers.</p>

Strategy: Improve access to our work

What success looks like	What we achieved
Increased sharing of insights and good practice	<p>In 2024, we facilitated an information session for senior management and members of audit committees. This session focused on insights from performance audits from around the globe, digital disruptions and AI, talent attracting and retention (with a focus on attracting human capital to Tasmania), audit findings and focus areas, and accounting and audit standards updates.</p> <p>We also hosted 3 virtual sector specific sessions for our clients to keep them updated on governance, financial reporting requirements and other relevant developments. Our client information sessions about governance and financial reporting developments were attended by 275 client representatives.</p> <p>We also continued to publish client reference information on our website.</p>
Broader visibility of our work	<p>A review of our external website was conducted to achieve Level AA compliance with the Web Content Accessibility Guidelines Version 2.1 (WCAG 2.1).</p>

Strategy: Strengthen our engagement

What success looks like	What we achieved
<p>Stronger productive relationships with public sector bodies and key stakeholders</p>	<p>We continued to refine our stakeholder engagement program, ensuring all key stakeholders were included.</p> <p>We increased engagement with professional bodies such as CPA Australia and Chartered Accountants Australia and New Zealand. We worked with the University of Tasmania (UTAS) to support the next generation of auditors with their qualifications, with 2 guest lectures presented by Assistant Auditors-General, and multiple staff participating in a workshop, providing advice to students based on real-life examples.</p> <p>We participated in the TUBES career expo at UTAS to connect with students and showcase the Office as an attractive career choice for potential future employees.</p> <p>We also prepared content for 2 lectures about auditing in a public sector environment, one on financial audit and the other on performance auditing. These lectures formed part of the 2024 Semester 1 UTAS curriculum.</p>
<p>Greater mutual respect and enhanced understanding of respective roles</p>	<p>We increased our engagement with Government Ministers, heads of agencies and senior entity financial officers during 2023-24. Risk and Audit Committee meetings were attended by both financial and performance audit staff, ensuring visibility on performance audits underway and recommendations from all reports.</p> <p>During the reporting period we held 60 one-on-one meetings with key management in audited organisations. This provided opportunities for our audit leaders to discuss challenges facing each entity before we start our annual audits and for our clients to provide us with a better understanding of their operational environments.</p> <p>We held 18 client service assessment meetings to obtain comprehensive and open feedback from audit clients about the performance of our audits. The outcomes of these meetings are used to provide high quality feedback to audit teams to enable us to continually improve the way in which we perform our audits.</p>

Quality

Delivering high quality professional services by building capability and capacity to meet the changing demands of our clients and stakeholders.

Strategy: Deliver high quality professional services for public sector bodies and the Tasmanian Parliament

What success looks like	What we achieved
Full compliance with professional and ethical standards	During 2023-24, we assessed the design and operating effectiveness of our system of quality management. The review was done through the internal audit program and concluded that the system of quality management provides the Office with reasonable assurance that the system's objectives are being achieved.
Continuous improvement embedded in everything we do	<p>All audit policies and procedures were reviewed and updated throughout the year, and a review of performance audit methodology was continued.</p> <p>All business areas held planning days to reflect on achievements and discuss ways to improve our audit practices.</p> <p>We expanded our inter-audit office quality assurance program to include both performance audits and financial audits.</p>
Learning from our own mistakes	Internal and external audit review findings were actioned to ensure robust and quality-driven practices. We continued to embed root cause analysis for quality review findings.

Strategy: Modernise our audit approach

What success looks like	What we achieved
Efficient, agile and innovative audit delivery	During 2023-24, we engaged with our audit tool provider to integrate a small audit package into our auditing software which can be used to streamline the audit process for some of our smaller audits. We have also been engaging with the provider to improve the reporting tools on our audit engagements to help identify inefficiencies. It is expected that these tools will be implemented during 2024-25.
Data driven audits and artificial intelligence enabled audit products	<p>We have continued to develop and train staff in data analytics and expand our understanding and use of tools such as Power Bi and Data Snipper.</p> <p>We have been undertaking pilot analysis of government department payroll data to assist financial audit teams in identifying areas of greater focus with clients and identification of potential efficiencies.</p>

Strategy: Support our people to be engaged, highly skilled and strong performers

What success looks like	What we achieved
<p>Effective attraction and retention of highly motivated and skilled people</p>	<p>We continued to advertise vacancies through broad recruitment channels, adapting our candidate assessment approach to support recruitment of engaged, motivated candidates. Where possible we streamlined processes and reduced our time to fill to provide better candidate experiences with our recruitment processes.</p> <p>Our dynamic vacancy fulfilment continued through year-round recruitment to 'hard to fill' positions, along with annual advertisement of entry level roles to support attraction and retention. We also obtained Accredited Standard Business Sponsor status to sponsor workers under Temporary Skill Shortage visas (subclass 482) and Skilled Employer Sponsored Regional (Provisional) visas (subclass 494).</p> <p>To improve retention, we continued to support overtime and flexible working arrangements, and provided regular opportunities for individuals to act in higher level positions, improving career advancement pathways.</p> <p>Our learning and development framework provides staff with access to valuable training opportunities, including one-on-one and group training delivered by Assistant Auditors-General, structured delivery of training programs and generous external study support.</p>
<p>Tangible innovation, flexibility and collaboration across our teams</p>	<p>Our structural environment continues to provide opportunities for cross-team collaboration, with open plan offices, wellbeing zones, break-out meeting rooms and collaboration spaces. Secondments were offered between business areas to improve collaboration and knowledge sharing and enhance employee development.</p>
<p>Investment in the development of our people as individuals</p>	<p>Our learning and development framework was enhanced to better support our audit staff. We continue to integrate the framework into our performance management system.</p> <p>Our mandatory training program was expanded to include ethics and cybersecurity as a core competencies. A comprehensive soft skills program for audit staff was developed, to be launched in 2024-25.</p>
<p>A flexible work environment, redefining how we work</p>	<p>We continued to support and promote our hybrid workplace model – with staff working in the office, at the client and remotely at home.</p> <p>We continue to provide award provisions that increase the flexibility to meet demand in our seasonal audit activities, providing work-life balance with leave taken in quieter periods of the year.</p>

Strategy: Enhance our culture

What success looks like	What we achieved
Aligned view of our strategic direction and how we define success	<p>Discussing strategic and business unit plans during induction is a crucial step in aligning new employees with the overall goals and objectives of the Office. We also held bi-monthly information sessions with all staff to keep them informed and give them a voice, with greater transparency and accountability in the governance of the Office.</p> <p>A project was commenced to review the Office's key performance indicators, which will come into effect in 2024-25.</p>
Increased trust and confidence in our leaders	<p>We communicated executive decision-making to our staff and consulted with staff on decisions that affect them.</p> <p>26 staff members participated in a 360 assessment of our senior leadership group that involved self-assessment, plus feedback from managers, peers and direct reports.</p>
Aligned view and modelling of our values and desired behaviours	<p>Feedback from the Tasmanian State Survey in 2024 indicated that 82% of staff felt senior managers model our values and 89% encourage behaviours that are consistent with our values.</p>

Efficiency

Building a high performing organisation by quickly and efficiently changing our structure and practices to meet our evolving needs.

Strategy: Flexible collaborative corporate structure

What success looks like	What we achieved
Agility in adapting to the environment we operate in	<p>We continued our commitment to agility in our operating environment with our hybrid work model, coupled with our open-plan office and hot-desking arrangements. The provision of modern, ergonomic tools and technology continues to enhance productivity and support the wellbeing of our teams. We also supported staff working remotely interstate, demonstrating our adaptability to a geographically dispersed workforce.</p> <p>Our promotion of internal rotations and secondments, a strong learning and development framework, upskilling of our staff in emerging areas and review and adoption of new ways of working continued throughout 2023-24.</p>
A structure that changes quickly and efficiently to meet needs	<p>In response to recruitment challenges, we adopted a flexible and dynamic staffing establishment model. This allows us to direct resources when and where they are needed. This staffing model is incorporated into our annual budgeting process.</p>

Strategy: Get the mix right

What success looks like	What we achieved
A workforce composition that positions us to meet future audit and business needs	<p>Our learning and development framework continues to be a cornerstone of our workforce strategy. Our framework ensures that our workforce composition aligns with our future audit and business needs, with skills pathways clearly detailed for staff at each classification level.</p> <p>We reintroduced Director positions within Financial Audit Services to better support the management of the business unit to provide specialist financial reporting, audit and assurance, and technical advice, and build knowledge and capability amongst staff and clients.</p>

Strategy: Simplify our business

What success looks like	What we achieved
Policies and practices that support our people	Work to consolidate and refine our policies and procedures to better support our people continued in 2023-24. A Human Resources Framework project was endorsed that will review and update key HR policies and practices.
Policies and practices that balance risk management and efficient/effective outcomes, no unnecessary red tape	We conducted a thorough review of our policy and procedure framework to ensure it effectively balances risk management with efficient and effective outcomes for the Office and staff. By streamlining processes, implementing clear templates, establishing clear approval procedures and defining regular review periods, we have eliminated unnecessary red tape while maintaining robust risk mitigation strategies.

Strategy: Refine our performance reporting

What success looks like	What we achieved
Better intelligence driving improved decision-making	<p>A review of the Office's key performance indicators (KPIs) was undertaken to ensure KPIs were relevant and aligned with our current strategic priorities.</p> <p>We have been integrating a number of internal data sources and automating the extraction of that data into visualisation tools. This has provided relevant units with greater insights into the business by linking up these disparate data sources into a form that is quickly and easily understandable and easily analysed. This work has highlighted areas of focus for improvement in the management of the business in 2024-25 and beyond.</p>

Strategy: Embrace new technology

What success looks like	What we achieved
Increased automation of core business systems	<p>Improved use of CaseWare functionality has led to process efficiencies, along with upgrades to and improved use of workflows in our record information systems.</p> <p>As indicated above, we have been focusing on automation of data extraction, reporting and visualisation of our internal business data, which is giving us great insights into our business.</p>
Maximise the use of data	<p>Our 4-year data analytics implementation project commenced in the previous financial year, designing and embedding the use of analytics across all audit services, with the design of governance framework, communications strategy, risk management and piloting data analysis techniques.</p> <p>Internally we have also enhanced the use of our own data. Through visualisation tools, we have been able to link up several data sets to improve insights into the Office's performance and practices.</p>

Our team



Our team

The Office is committed to delivering high-quality, independent assurance to the Parliament and the Tasmanian community. Our dedicated team of professionals strives to make a difference by enhancing the relevance and impact of our work.

At 30 June 2024, we had 59 employees comprising financial and performance auditors, data specialists and corporate support staff. We have continued to implement recruitment and retention strategies to build high-performing teams that deliver professional services to meet the evolving needs of our clients and stakeholders. Our values of professionalism, respect, client focus, camaraderie and continuous improvement guide us in achieving our vision and fulfilling our purpose. Our staff continue to express a high commitment to earning and sustaining public trust.

Staff profile

Measure	2020-21	2021-22	2022-23	2023-24
Size of the workforce at 30 June (full-time equivalent)	43.2	47.4	57.1	56.1
Size of the workforce at 1 July (head count)	45	46	48	60
Staff on secondment or leave without pay at 1 July	6	5	3	1
Staff commencing during the year	12	20	34	11
Staff who left during the year	(12)	(20)	(24)	(11)
Staff on secondment or leave without pay at 30 June	(5)	(3)	(1)	(2)
Size of the workforce at 30 June (head count)	46	48	60	59
Permanent part-time staff at 30 June	2	8	7	2
Fixed-term part-time staff at 30 June	2	4	1	0
Fixed-term staff at 30 June	10	10	4	3
Average age of workforce at 30 June	44	42	39	40

During 2023-24, our retention programs resulted in a significantly reduced staff turnover, with a retention rate of 81% (58% 2022-23). Other key observations include:

- we continued to offer permanent employment as the preferred form of employment, with a further reduction in fixed term staff

- the overall size of our workforce has remained steady, driven by the increase in permanent staff, which provides staff with employment certainty and offsets the impact of turnover
- though the average age of our workforce has remained level at 39, the Office has continued to recruit at entry level, with the intent to retain staff as they progress and advance internally.

In the face of competitive private-sector salaries, we continue to highlight the tangible benefits of a career in State Service, flexible work and of our Tasmanian lifestyle. These are presented for prospective employees on our [careers page](#).



Image: Financial Audit Services Retreat 2023 (Grindelwald). Pictured L-R: Luke Muller, Devin Ha, Bishop Panta, Julie Cheng, Olivia Li, Anupriya Sharma, Chingiz Khamitov, Han Mai, Prince Basutu, Nephi Dulawan.

Employee culture and engagement

We support our staff to be creative, ethical and passionate in their work, striving to make a difference within the Tasmanian public sector and promoting continuous improvement, integrity and the public interest.

In 2023-24, staff were again invited to participate in the annual Tasmanian State Service Employee Survey. The survey assists agencies to understand the experiences of staff in State Service and measures how Tasmanian State Service values and employment principles are being applied.

In line with our diversity and inclusion strategy, we aim to attract staff with skills and values to meet our objectives and who are reflective of the broad and diverse community in which we operate. Responses to the Staff Survey indicate that 52% of our staff were born overseas and 45% speak a language other than English at home.

In addition, 11% of staff indicated that they are a person of diverse sexual orientation, with 89% of staff agreeing that gender is not a barrier to success in the Office.

We actively promote our commitment to supporting staff identifying as Aboriginal or Torres Strait Islander and continue to support and promote the Aboriginal cultural leave entitlements introduced into the Tasmanian State Service Award in 2022-23.

The gender wage gap in our Office was 16% between male (higher) and female (lower), an increase from a 14% in the previous year, indicating that efforts should continue in this area to support our talented female and gender diverse staff in their career progression.

Tasmanian Audit Office staff responses to the Staff Survey indicate that:

- 95% of staff feel that age is not a barrier to success
- 96% of staff feel that the Office provides a safe working environment
- 100% of staff feel that earning and sustaining a high level of public trust is important
- the top 3 reasons people work for the Office are flexible work, working in a good team environment and work-life balance.

Our results were significantly above those of the overall [Tasmanian State Sector results](#), reinforcing our ongoing efforts to support and create a positive workplace culture for employees. The full Tasmanian Audit Office Employee Survey results are available on our [website](#).

Our values guide us in achieving our vision and in performing our role objectively, with impartiality and in the best interests of the Parliament, the Tasmanian Public Sector and the Tasmanian community. Our values are:



In line with our values, we promote a culture that values employee involvement and participation in decisions that affect them. We do this through internal staff newsletters, direct approaches, open Office discussions, communiqués and consultation. We run bi-monthly staff information sessions covering technical and procedural matters, values and culture-based topics. Using online meeting tools, our staff can attend these meetings regardless of their work location.

Our workplaces

The Staff Survey highlighted the value that our people place on flexible and supportive working arrangements. We continue to address the work-life balance challenges over busy periods in the audit cycle, providing options to staff so they can tailor the right balance for their circumstances.

We continue to give employees more flexibility in how, when and where they perform their work. Our hybrid work model identifies 3 primary work locations: the office, the client or remotely from an approved site (for example, working from home).

This is supported through our contemporary office layouts that include hot-desking, collaboration zones, quiet rooms and video-conferencing facilities. The layout of our offices supports best practice accessibility standards with modern amenities to support employee health and wellbeing.



Images: Left picture – Staff celebration, baby shower for Prince Basutu, February 2024 (pictured: Prince Basutu, Rod Whitehead and Hanna Jones). Right picture – Footy colours day (pictured: Rod Whitehead, Janine McGuinness and Jonathan Wassell).

To improve communication and collaboration we have eliminated the use of private offices for managers and teams. On any given day, working next to anyone, from the Auditor-General to a data specialist or intern on a work placement, gives our staff the opportunity to foster relationships and share ideas, disrupting traditional hierarchical structures.

Other wellbeing and flexible work practices we have adopted to provide a supportive culture include access to flexible work practices such as flexible start and finish times, compressed fortnightly work patterns and full-time or part-time work options. This suite of flexibility options allows our people to accommodate their commitments and life outside of work.

Under the Tasmanian State Service Award, a range of leave entitlements are also available. The Office provides paid overtime and modified flexitime agreements for staff working additional hours during busy audit periods. These arrangements improve organisational productivity while supporting employee wellbeing.

Our audit staff travel to a range of client sites and work directly from client premises across the State. The Central Highlands, the West Coast, the Tasman Peninsula and King Island are places that our staff often travel to.

Staff are supported with the best technological tools and are provided a unique opportunity to see what Tasmania has to offer. Some clients can be reached in a day while others require an overnight stay, allowing our staff to enjoy a new location, connect with local communities and spend their downtime exploring what Tasmania has to offer.

Team performance

The performance of our staff is regularly assessed in line with *Employment Direction 26 - Managing Performance in the State Service*. Our performance management and professional development framework underpins this and ensures we have a positive supportive process that values the input and expectations of management and staff. Plans are set annually with a formal review conducted every 6 months.

Plans include Office-wide standards incorporating compliance with Office policies and procedures, meeting competencies outlined in statements of duties, contributing to Government, Office and business unit objectives, and adhering to our values and State Service Code of Conduct and Principles.

The effectiveness of our framework is evidenced in 96% of staff reporting regular performance conversations helped them identify their work priorities and training and development needs.

In 2023-24, we focused on managing performance through:

- the development of feedback journals for financial audit staff
- regular one-on-one meetings between staff and their managers
- regular unit team meetings and cross-unit team meetings
- providing regular advice and support to managers for recognition of high achieving staff and career development pathway advice to junior staff
- identifying common learning and development themes through regular performance discussions aligned with provision of in-house information and training programs
- internal pulse check surveys – feedback on ‘busy season’, CSS service provision and the senior leadership group
- in-house information sessions for all staff with a focus on building resilience; EAP; ergonomics and Workplace Health and Safety requirements
- workshops for staff and managers on performance development conversations and the giving and receiving of feedback
- moderation of performance ratings across the Office by the Executive Committee, to ensure fairness and consistency across business areas, with a common understanding of performance expectations.

We believe it is important to congratulate employees who make an exceptional contribution to our work environment and the achievements of objectives. Our reward and recognition policy allows staff and the senior leadership group to nominate employees for formal awards presented by the Auditor-General.

The Office has 2 formal recognition awards: periodic ‘Making a Difference’ awards and annual ‘Way of the TAO’ award.

The Making a Difference award recipients for 2023-24 were:

- Aartee Johare
- Andrew Eiszele
- Benjamin Thomsett
- Charlie Liu
- Chingiz Khamitov
- Chloe Bellchambers
- Debbie White
- Dennis Ravindraraj
- Dipesh Gautam
- Dylan Xing
- Elene Hwang
- Han Mai
- Hanna Jones
- Harald Anjewierden
- Harjee Singh
- Harry Batt
- CSS Team: Jessica Balding, Harald Anjewierden, Shelley Darby, Susan Franklin, Llewellyn Newlyn and Leah Crosswell
- Hayley Ducat
- Helen Grube
- Jan Lynch
- Jeff Tongs
- Jessica Balding
- Jessica O'Grady
- Joel Smith
- Jon Parkes
- Julie Cheng
- Lalith Liyanage
- Levin Chen
- Luke Muller
- Maddy Gunawardena
- Mark Farrington
- Miao Yu
- Michael Goodwin
- IT Champions: Sam Cleary, Jessica O'Grady and Chingiz Khamitov
- Nizar Bahaji
- Olivia Li
- Oluwadara Oyesanmi
- Preety Pareek
- Prince Basutu
- Rod Whitehead
- Rolf Mieзитis
- Ryan Eastley
- Salva Dara
- Sam Cleary
- Shelley Darby
- Simone Lee
- Stephen Morrison
- Susan Franklin
- Trang Mai

The 'Way of the TAO' award recipient for 2023-24 was Jessica Balding, Manager Corporate Support and Strategy. Other nominees for this prestigious annual award were Harry Batt, Jan Lynch and Trang Mai.

Learning and development framework

The Tasmanian Audit Office Learning and Development Framework supports our strategic approach to retaining our own talent through ongoing professional development. Our framework ensures that the Office has people with the right skills and knowledge to deliver services into the future. It describes the core skills, capabilities, applied knowledge, personal characteristics and attributes that, in combination, underpin effective performance at each employee classification level. The framework details the minimum requirements for each capability level and provides suggested learning and development pathways to develop the required capability.

Our learning program centres around the 70-20-10 Model for Learning and Development, with 70% of learning shaped by experiences, 20% from others and 10% from formal learning. Our framework encourages and formalises on the job experiences through internal coaching and training delivered by subject matter experts and our buddy program. Staff have access to self-paced online programs, external courses, seminars and conferences delivered in virtual or in-person formats.

In 2023-24, we included trauma informed training, with 5 staff members attending external workshops provided the Tasmanian Training Consortium. In liaison with Converge

International, the Office provided additional in-house vicarious trauma awareness training to staff who had the potential to be exposed to vicarious trauma through their duties.

Employee learning and development needs are agreed within our performance planning process, with individual plans detailing the experiential learning, learning from others and external programs they will undertake to build their capabilities and skills.

Buddy program

Our buddy program continued in 2023-24. This program assists entry level staff through a structured professional assistance and guidance program in their first year on the job. New staff are assigned a more senior “buddy” who provides on the job learning and technical development. Tailored to the needs of the individual, this program supplements our other induction and performance development programs.

Senior staff participating in the program gain the satisfaction of giving back to early career staff, consolidating their own interpersonal coaching and mentoring skills.

Professional qualifications

We continue to support staff to complete a qualification with a professional body such as Certified Practising Accountants Australia (CPA Australia) or Chartered Accountants of Australia and New Zealand. We reimburse 100% of fees and provide generous study leave entitlements for these and other approved tertiary and post-graduate courses. We supported 17 of our employees with study assistance during 2023-24.

We are a Recognised Employer Partner of CPA Australia, meaning staff gain recognition for both practical experience and continuing professional development, including automatic recognition as having met their annual continuing professional development obligations. For the Office, this partnership is recognition of our professional development standards and commitment to our staff. We are continuing work towards similar status with Chartered Accountants Australia and New Zealand.

The following table summarises our investment in staff training, development and coaching over the period:

Measures	2020-21	2021-22	2022-23	2023-24
Average days per FTE – all types of professional development	5.5	17.0	22.3	21.0
Average investment per FTE – training through external providers	\$1,029	\$1,656	\$1,646	\$3,309

Workplace health, safety and wellbeing

We are committed to ensuring the health, safety and wellbeing of our employees, proactively monitoring measures to promote a safety culture and to protect staff from workplace injury and harm.

In the reporting period we experienced a slight decrease in average sick leave days taken by staff. Accrued recreation and long service leave entitlements were also reduced during the year.

Long service leave management continues to be practiced, with no staff holding balances above 100 days. Active leave planning and management of any high leave balances is used to support a good work-life balance for our staff.

Measure	2020-21	2021-22	2022-23	2023-24
Average sick leave days taken during the year per staff member	7.5	7.5	8.0	7.8
Staff with more than 40 days accrued recreation leave at 30 June	3	2	2	0
Staff with more than 100 days accrued long service leave at 30 June	0	0	0	0

Throughout the reporting period we:

- continued work to incorporate the management of psychosocial hazards into our policies and procedures, including mandatory trauma informed practice training for all senior managers
- conducted regular workplace inspections in Hobart and Launceston offices, and for staff working in client workplaces
- reported on workplace health and safety to the Executive Committee and Risk and Audit Committee
- provided training for first aid officers, fire wardens and staff with legislated responsibilities
- continued to partner with the Department of Justice Health and Wellbeing Champions network, providing access to a range of activities for staff
- offered influenza vaccinations, flexibility during work hours to participate in wellness activities, balanced catering at events and educational information to staff through internal communication channels
- provided trauma awareness and trauma informed training to relevant staff to assist them in understanding trauma and bringing a trauma informed lens on processes and practices.

In addition to providing access to an independent employee assistance provider for those staff seeking assistance with work related or personal matters, we met our obligations by continuing to support any staff absent from the workplace with comprehensive return-to-work support in line with *Employment Direction 29 – Managing Employees Absent from the Workplace* and our recently renewed Injury Management Program.

Our hybrid model of work means our staff are working in a variety of settings. Throughout 2023-24, we continued to focus on ensuring our staff had the right equipment and support to work in a safe and sustainable way.

We provide the following measures to ensure our physical working environments are safe and ergonomic:

- fully height adjustable workstations
- workstation assessments available to all staff
- employees required to complete a remote work ergonomic and equipment checklist
- provision of remote work ergonomic equipment
- access to corporate subscriptions and wellness initiatives through government partners
- workshops and webinars on topics like resilience and ergonomics
- provision of hygiene kits.

Helping people to find ways to connect and enjoy themselves at work and with colleagues is a continuing focus area for the Office. During 2023-24, we supported this through running team camaraderie days, social functions and celebrations, and by providing amenities that create an environment for employees to network with colleagues across the office. Some of these activities included a Harmony Day lunch and a Thanksgiving Celebration.

In 2023-24, we reported 7 Work Health and Safety related incidents or injuries, down from 9 in 2022-23. These injuries were not classified as notifiable incidents and did not result in any workers compensation claims. We encourage a culture of reporting and encourage staff to advise of any hazards, incidents, illnesses or near misses. 1 active workers compensation claim carried over from the previous year was closed, with no open claims remaining at 30 June 2024.

Workplace relations

We adhere to all aspects of the Tasmanian State Service Award and the directions issued under the State Service Act. We take advice and guidance from these directions as they are introduced. Staff have review rights under the State Service Act relating to employment decisions that have an impact on them. No reviews were lodged during the reporting period.

Our commitment to the community

We support the University of Tasmania School of Business and Economics Prize Awards. The Tasmanian Audit Office Prize is awarded annually to the student enrolled in Accounting (Unit C59) achieving the highest aggregate mark in the unit across the school. The 2023 award was shared between Miss Thi Nguyen and Mr Patrick Alcock.

Our performance



Performance report

Performance report measures






Our key performance indicators (KPIs) were independently assessed by Newton & Henry, with their review opinion published at the end of this section. The tables below detail our actual results with the following symbols indicating the assessment of each result.

 Performance achieved	 Performance not achieved	Nm - Performance not measured
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Parliamentarian and audit client survey indicators

The KPIs in the following table are from Parliamentarian and audit client surveys relating to the Office’s key strategic focus areas of impact, quality and efficiency.

The biennial satisfaction survey of Members of Parliament and clients was conducted in 2023-24.

Key Performance Indicators	2020-21 actual	2021-22 actual	2022-23 actual	2023-24 target	2023-24 actual	Result
Parliamentarians’ survey						
Overall satisfaction with the Auditor-General’s reports and services	Nm	100%	Nm	75%	86%	
Provide valuable information on public sector performance	Nm	100%	Nm	80%	100%	
Reports and services help to improve public sector administration	Nm	100%	Nm	75%	95%	
Responsiveness of the Auditor-General or their office	Nm	100%	Nm	85%	100%	
Extent to which the advice/information provided by the Auditor-General or their office addressed user needs	Nm	100%	Nm	85%	90%	

Key Performance Indicators	2020-21 actual	2021-22 actual	2022-23 actual	2023-24 target	2023-24 actual	Result
Clients' survey						
Performance audit – overall performance (process, reporting, value)	Nm	72%	Nm	75%	73%	✘
Financial audit – overall performance (process, reporting, value)	Nm	74%	Nm	75%	75%	✔

Financial indicators

The KPIs in the following table relate to our Financial Statements for 2023-24, which are presented later in this report.





Key Performance Indicators	2020-21 actual	2021-22 actual	2022-23 actual	2023-24 target	2023-24 actual	Result
Positive net operating result, that is $\geq 1\%$ of turnover ¹	Achieved	Achieved	Achieved	Achieved	Not achieved	✘
Positive cash flows	Achieved	Achieved	Not achieved	Achieved	Not achieved	✘
End of year cash balance >\$600,000	Achieved	Achieved	Achieved	Achieved	Achieved	✔
Independent unmodified audit opinion on the financial statements of the Office	Achieved	Achieved	Achieved	Achieved	Achieved	✔

Notes:

1. In 2023-24 the Office intentionally carried a higher headcount in order to offset historical levels of turnover and still deliver the audit program. Our turnover reduced significantly in the reporting year, resulting in a deficit over budgeted levels.

Operational and governance indicators

The KPIs in the following table are in relation to the 'Our role' section of this report above:

Key Performance Indicators	2020-21 actual	2021-22 actual	2022-23 actual	2023-24 target	2023-24 actual	Result
All financial audit opinions to be issued within 45 days of receipt of final signed financial statements (audits completed within the financial reporting year) ¹	53%	59%	58%	100%	66% ³	
Performance and compliance audits are completed on average within 10 months ²	12.0	9.0	11.7	<= 10 months	10.3 ³	
Performance and compliance audits and special investigations tabled in Parliament	11	5	3	6	4 ³	
Report of the Auditor-General on the outcomes of financial audits tabled in Parliament	1	1	1	1	2	

Key Performance Indicators	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Target	2023-24 Actual	Result
Annual independent assessment of a selection of audit files that concludes the Office is conducting audits in accordance with its audit methodology and Australian Auditing Standards⁴						
Financial audits	Nm	Positive	Positive	Positive	Positive ⁵	✓
Performance audits	Nm	Nm	Positive	Positive	Positive ⁵	✓
Number of major findings with significant impact/ramifications (risk rating = high) reported to the Office's Risk and Audit Committee by the internal auditor	None	None	None	None	None	✓

Notes:

1. The basis for reporting timeliness of audit completion is the audit cycle completed during the financial year (for example, the December 2022/June 2023 audit cycle was completed in the 2023-24 financial year).
2. Measure reported as 'Achieved/Not achieved' in previous Annual Reports is now reported as months.
3. Results for 2023-24 were impacted by continued challenges in recruitment and retention of experienced audit staff and the inclusion of an additional performance audit in response to recommendations from the Commission of Inquiry into the Tasmanian Government's Response to Child Sexual Abuse in Institutional Settings.
4. The Office's 5-year independent review was conducted by Moore Australia during 2023-24. The report identified 47 improvement opportunities, 25 of which were accepted by Management. There were no adverse findings raised within the report.

There were 4 internal audit reviews conducted during 2023-24 covering:

- Procurement compliance
- Audit Quality Review (Interim report)
- Audit Quality Review (Final report)
- Procurement Review and Data Analysis.

The results of the internal audits indicated efficient systems and processes. Recommendations were made suggesting further improvements which are in progress.

During 2023-24, the Auditing and Assurance Standards Board conducted a review of ASAE 3500 – the primary performance audit standard. All audit offices in Australia contributed to the review.

5. A review by Justin Reid Consulting in October 2023 conducted an inspection of 4 completed financial audit engagement files from the 30 June 2022 cycle. The report concluded that the Office was fulfilling its responsibilities in accordance with the auditing standards. Identified improvement opportunities have all been completed.

A review by the ACT Audit Office of 2 performance audits in March 2024 reported an overall positive finding, indicating that the audits were undertaken in accordance with ASAE 3500 and office policy requirements. There were no findings having a high risk rating. Identified improvement opportunities are in progress.

People indicators

The KPIs in the following table are in relation to the 'Our team' section of this report above:

Key Performance Indicators	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Target	2023-24 Actual	Result
Positive staff responses on workplace behaviours and conditions as measured by our independent employee survey ¹	Nm	Nm	84%	>= 70%	81%	✓
Positive staff responses on workplace diversity as measured by our independent employee survey ¹	Nm	Nm	83%	>= 70%	84%	✓
Positive staff responses on engagement as measured by our independent employee survey ¹	Nm	Nm	80%	>= 70%	75%	✓
Staff turnover rate	26%	42%	42%	< 10%	19%	✗
Percentage of staff who have University degrees and/or professional qualifications	93%	96%	98%	> 85%	97%	✓
Percentage of staff who are members of professional bodies ²	89%	81% ³	67%	> 85%	63%	✗
Percentage of staff who undertake 10 days of professional development per annum ⁴	47%	46%	72%	100%	64%	✗

Key Performance Indicators	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Target	2023-24 Actual	Result
Percentage of staff performance and development plans finalised	98%	98%	98%	100%	100%	✓
Personal leave taken by staff (average)	7.5	7.5 ⁵	8.0	<5 days	7.8	✗
Excess leave balances	7%	6%	3%	< 5%	0%	✓

Notes:

1. These measures were not included in previous Annual Reports and were added in 2022-23 to replace the 'Satisfaction' index previously reported. The whole of State Service Survey (the Survey) was not held in 2021-22 due to the pandemic. In 2023, the Survey summary index of 'Satisfaction' as reported in past Annual Reports was removed. The Survey reported on the remaining 3 summary indices of *Workplace Behaviours and Conditions*, *Workplace Diversity* and *Agency Engagement*. Actual results since 2019-20 for these indices are presented in the above table. The Survey is to be conducted annually from 2024.
2. Percentage of staff who are full (not associate) members of professional bodies.
3. This measure was incorrectly reported in the 2021-22 Annual Report as 82%. The correct figure independently assessed by Nexia Melbourne Audit Pty Ltd for 2021-22 was 81%.
4. Includes all types of training conducted within the Office and includes all staff employed throughout the year. Adjusted for staff working only part of a year and for fractional staff. The decrease reflects a number of staff commencing close to the end of the financial year.
5. This measure was incorrectly reported in the 2021-22 Annual Report as 7 days. The correct figure independently assessed by Nexia Melbourne Audit Pty Ltd for 2021-22 was 7.5 days.

Benchmarking measures

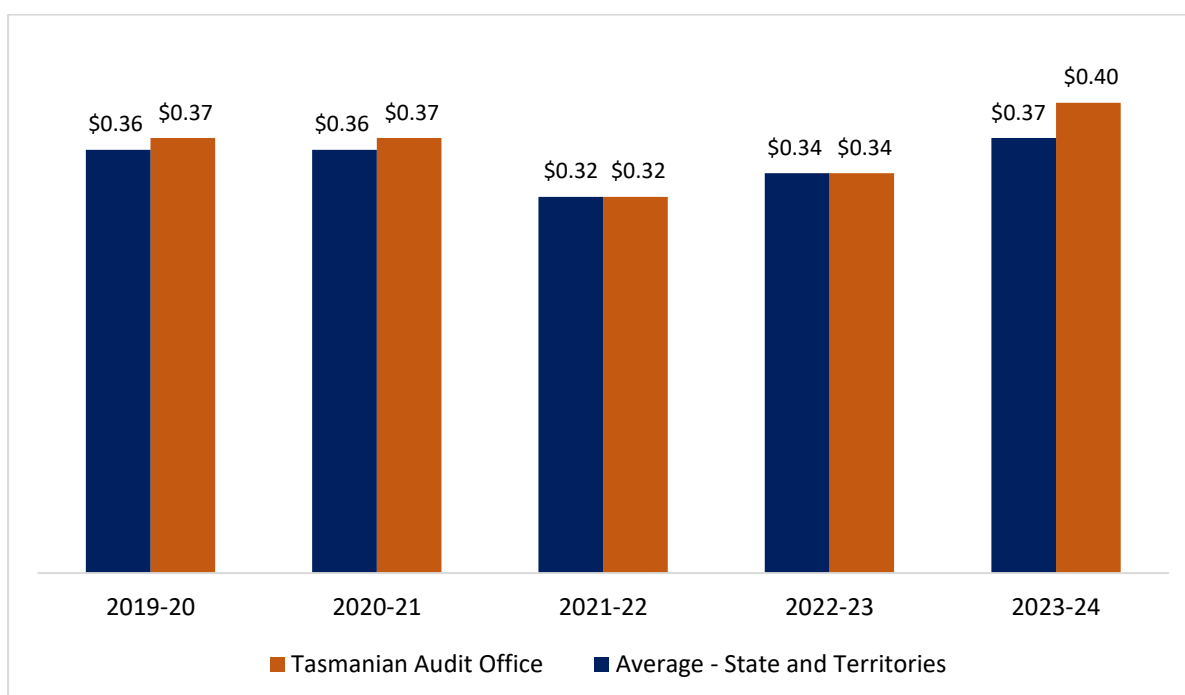
The Tasmanian Audit Office is a member of the Australian Council of Auditors-General (ACAG) and participates in an annual macro-benchmarking survey along with other ACAG audit offices in Australia.

We evaluate our performance on 7 benchmarked measures against the national average of other State and Territory audit offices, excluding the Northern Territory, which does not currently participate in the survey.

The results presented in this section cover the period 2019-20 to 2023-24.

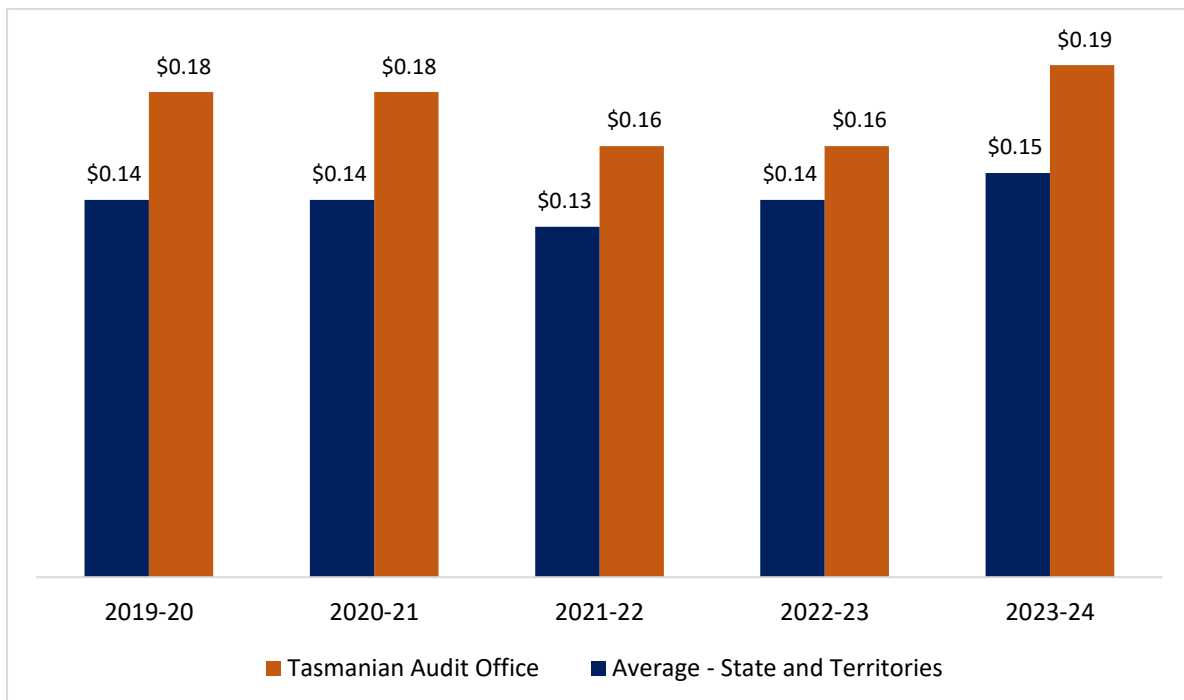
For Measures 1 and 2, we expect our costs as a proportion of total State transactions and assets to be higher than most other States. Typically, State entities in Tasmania are smaller than their interstate counterparts.

Measure 1 – Total audit costs (excluding payroll costs) per \$'000 of public sector transactions



It was noted in the benchmarking report that total audit costs as a proportion of public sector transactions were higher for most audit offices in 2023-24 than in 2022-23.

Measure 2 – Total audit costs (excluding payroll costs) per \$'000 of public sector assets



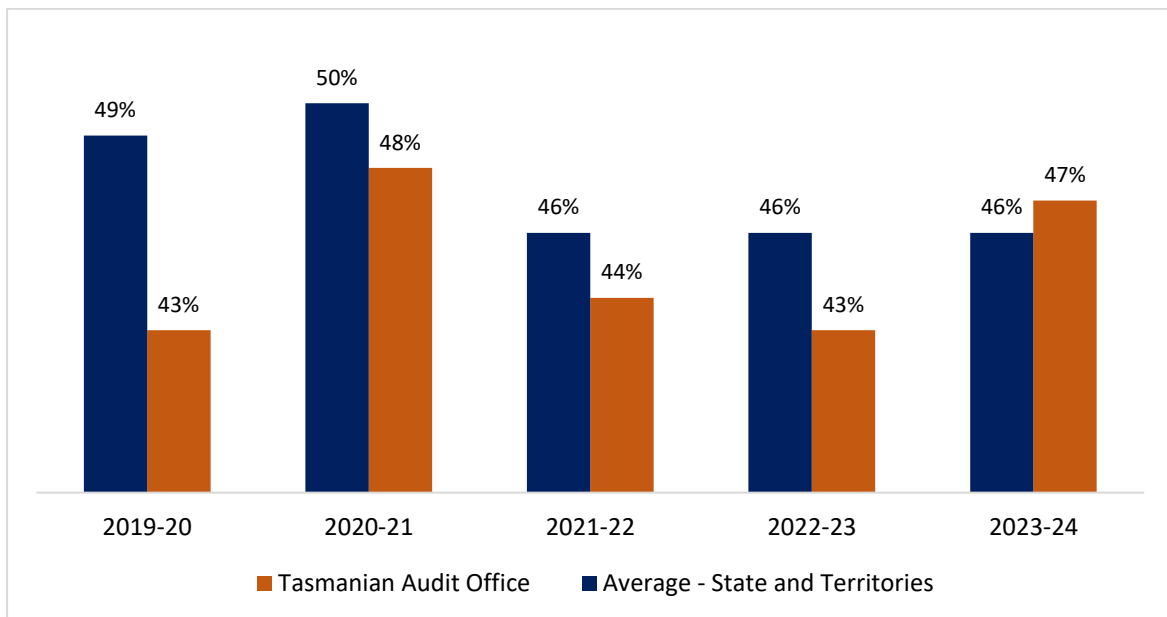
It was noted in the benchmarking report that this ratio increased in 2023-24 compared to 2022-23 for the majority of audit offices.

For Measures 3 to 5 presented in the following charts, productivity of our staff has a direct impact on our operating results.

All auditors are expected to achieve a minimum level of billable hours after allowing for leave, professional development and administration. Total paid hours include the hours of our corporate staff as well as personal and recreation leave for all staff.

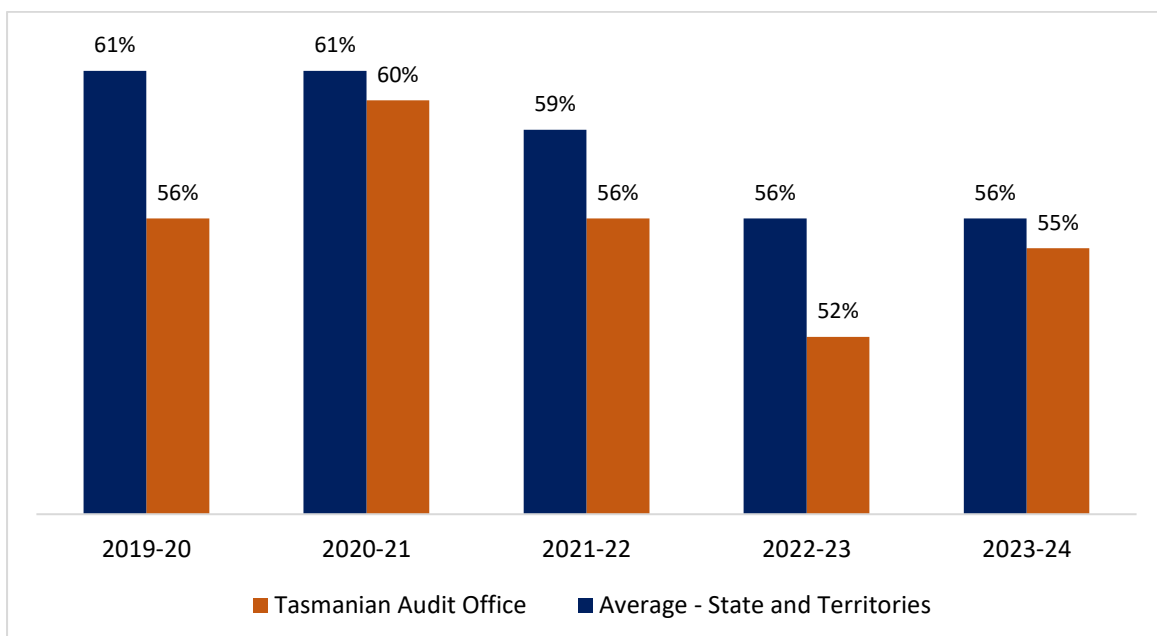
The movement from 2022-23 to 2023-24 is due to a reduction in staff turnover in both the attest and non-attest units, which has decreased time spent for onboarding and training.

Measure 3 – Percentage of total (whole of office) paid hours charged to audit activities

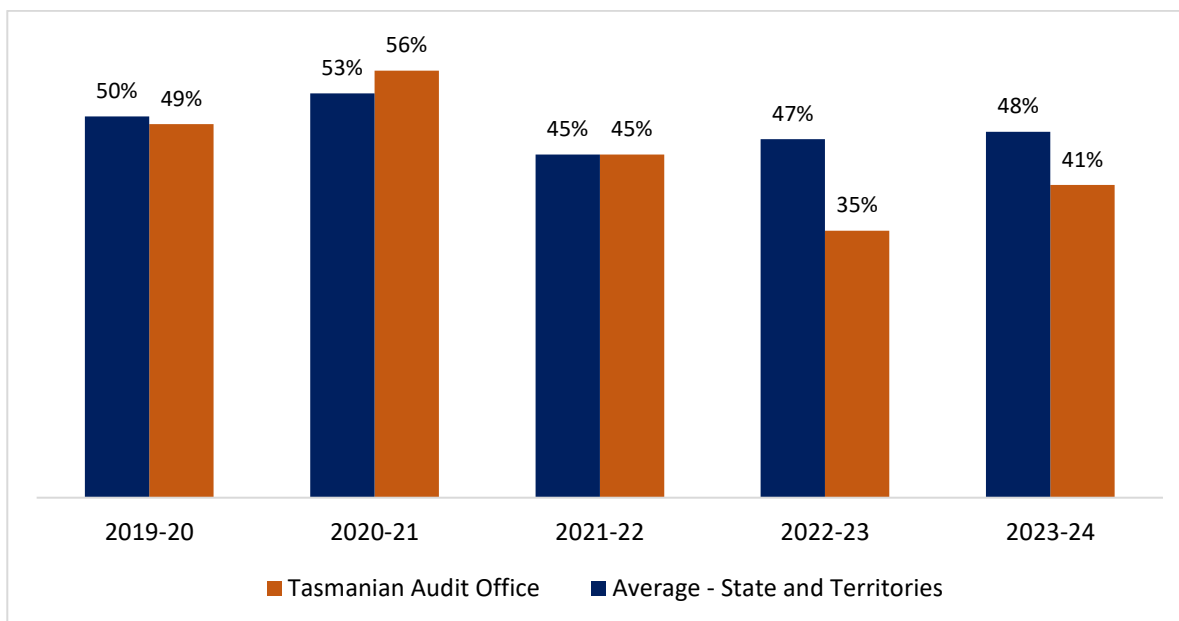


It was noted in the benchmarking report that the average proportion across all audit offices in 2023-24 was similar to that recorded in 2021-22 and 2022-23.

Measure 4 – Percentage of total attest audit staff paid hours charged to attest audit activities

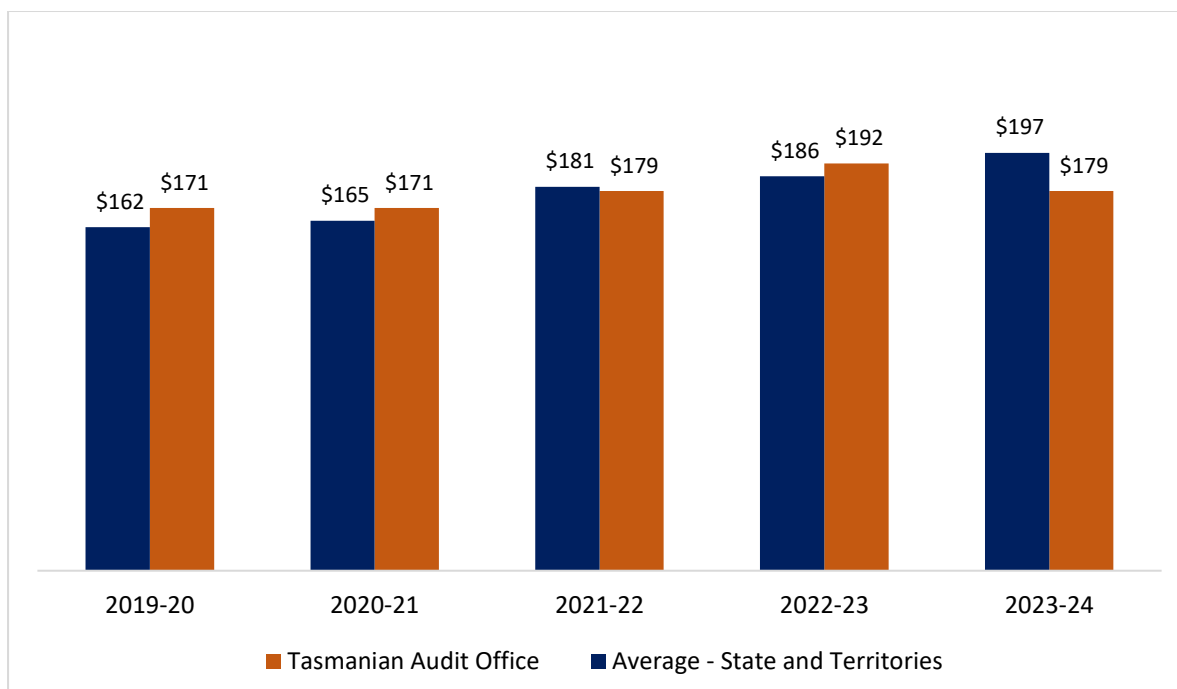


Measure 5 – Percentage of total paid hours of non-attest audit staff charged to non-attest audit activities



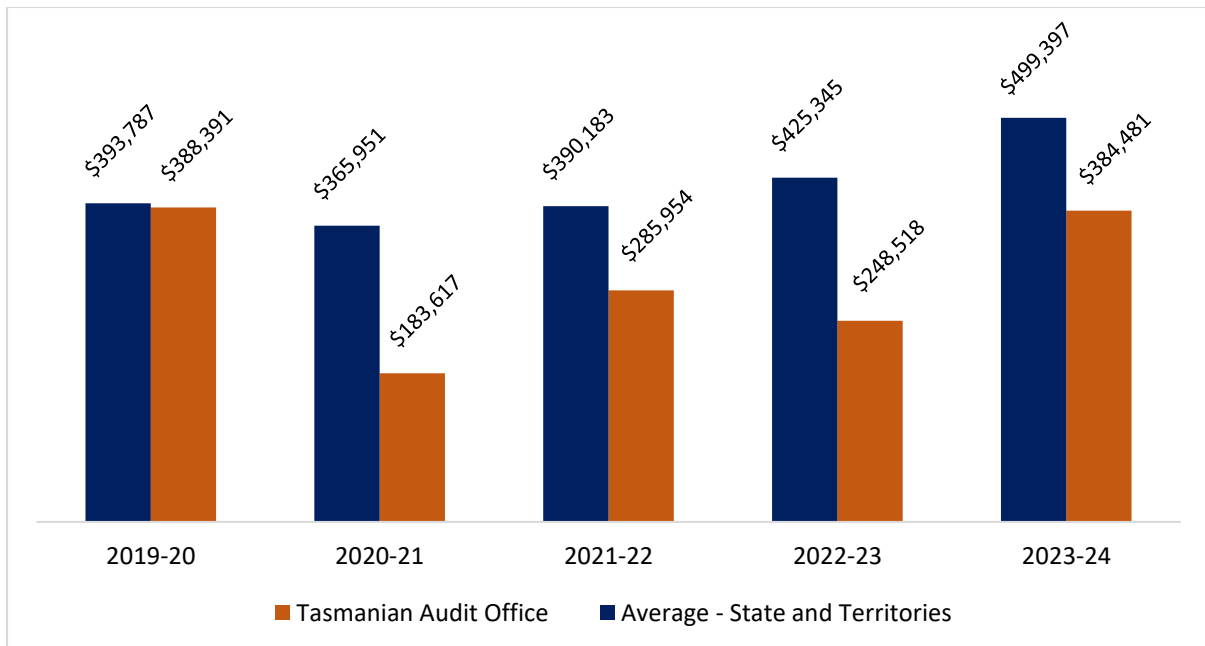
Measure 6 below shows a decrease of cost per audit hour charged to audit activities from 2022-23. This is due to a reduced cost of resourcing compared with the previous year where more experienced staff were covering work normally performed by less senior staff.

Measure 6 – Cost per audit hour charged to audit activities



Measure 7 below shows an increase in cost per audit performance audits completed from 2022-23 to 2023-24.

Measure 7 – Cost per performance audit



It was noted in the benchmarking report that most offices complete a limited number of performance audits each year (ranging from 3 to 18), which can lead to significant variations in this measure against the average.

Independent Auditor's Review Report to the Governor of Tasmania in relation to the Tasmanian Audit Office

Report on the Performance Report

We have reviewed the accompanying performance report, included within the annual report, which comprises the key performance indicators for the year ended 30 June 2024.

Auditor-General's Responsibility for the Performance Report

The Auditor-General is responsible for the preparation of the performance report. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the performance report to ensure that the report fairly represents the key performance indicators of efficiency and effectiveness.

Auditor's Responsibility

Our responsibility is to express a conclusion on the performance report based on our review. We conducted our review in accordance with Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the performance report does not present fairly the key performance indicators of efficiency and effectiveness. As the auditor of the entity, ASRE 2405 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a performance report consists of making enquiries, primarily of persons responsible for financial and accounting matters and applying other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the performance report does not present fairly the key performance indicators of efficiency and effectiveness for the year ended 30 June 2024.

Newton & Henry

Newton & Henry

9 October 2024
Launceston



Andrew Gray
Director



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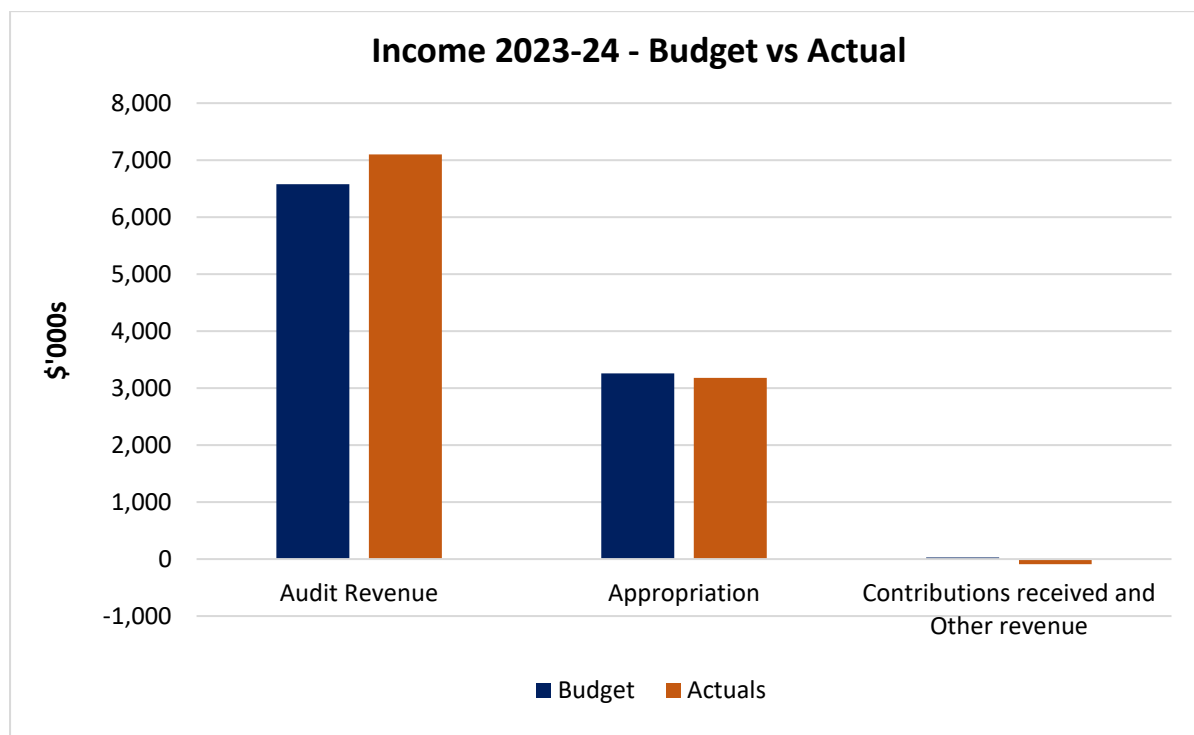
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Income and expenditure summary

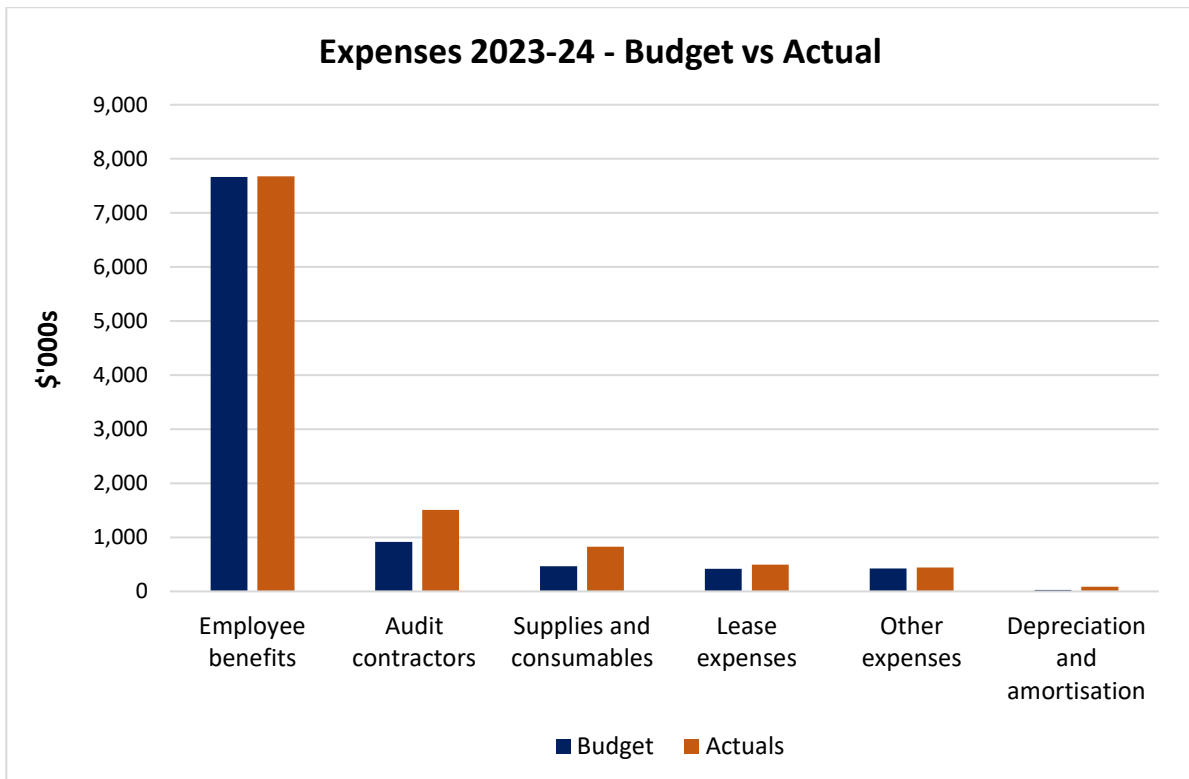
Our office has 3 sources of income as shown in the chart below.



Particulars of these sources of income and explanations for variation from budget are provided below, with more detail in our Financial Statements:

1. Audit revenue, or fees charged to clients to cover the cost of our financial audit services, made up 69.7% of total revenue in the reporting year.
2. Revenue from Government includes revenue from appropriations, unexpended appropriations rolled over under section 23 of the *Financial Management Act 2016* and items reserved by law. We also receive funding from time to time for specific purposes, such as our current funding over 4 years to implement data analytics in audit services.
3. Contributions received and other revenue includes contributions from staff towards certain staff benefits such as parking.

The Office’s main expense is salaries for our staff, making up 69.6% of total expenditure in 2023-24. Payments to audit contractors, or service providers engaged to undertake audits on our behalf, make up the next highest expense at 13.7%, followed by supplies and lease expenses.



Our financial statements



Financial statements

Statement of certification

The accompanying financial statements of the Tasmanian Audit Office are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016* to present fairly the financial transactions for the year ended 30 June 2024 and the financial position as at the end of the year.

At the date of signing, I am not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.

Martin Thompson

Auditor-General

14 August 2024

Statement of comprehensive income

	Notes	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Income from continuing operations				
Revenue from Government				
Appropriation revenue – Recurrent	2.1(a), 4.1	2,713	2,541	1,959
Appropriation revenue – Reserved by law	4.1	546	640	483
Financial audit services	4.2	6,578	7,098	6,126
Contributions received	2.1(b), 4.3	-	-	650
Other revenue	4.4	30	(90)	54
Total revenue from continuing operations		9,867	10,189	9,272
Net gain/(loss) on accounts receivable	6.1	-	(20)	-
Total income from continuing operations		-	10,169	9,272
Expenses from continuing operations				
Employee benefits	5.1(a)	7,664	7,676	6,208
Depreciation and amortisation	5.2	28	86	74
Audit contractors	2.1(a), 5.3	916	1,509	1,293
Supplies and consumables	5.4	885	1,324	1,033
Other expenses	5.5	425	439	364
Total expenses from continuing operations		9,918	11,034	8,972
Net result from continuing operations		(51)	(865)	300
Net result		(51)	(865)	300
Comprehensive result		(51)	(865)	300

This Statement of comprehensive income should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2.1 of the accompanying notes.

Statement of financial position

	Notes	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Assets				
Financial assets				
Cash and deposits	11.1	2,784	1,456	2,438
Receivables	7.1	351	398	397
Contract assets	7.2	545	774	566
Non-financial assets				
Leasehold improvements, plant and equipment	2.2(a), 7.3	111	672	754
Intangibles	7.4	13	9	13
Other assets	7.5	86	98	60
Total assets		3,890	3,407	4,228
Liabilities				
Payables	2.2(b), 8.1	45	177	62
Employee benefit liabilities	2.2(c), 8.2	1,365	1,339	1,263
Contract liabilities	8.4	549	446	593
Total liabilities		1,959	1,962	1,918
Net assets		1,931	1,445	2,310
Equity				
Contributed capital		1,168	1,168	1,168
Accumulated surplus	2.2(d)	763	277	1,142
Total equity		1,931	1,445	2,310

This Statement of financial position should be read in conjunction with the accompanying notes.

The budget is formulated without regard to the actual financial position at any one point in time.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2.2 of the accompanying notes.

Statement of cash flows

	Notes	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities				
Cash inflows				
Appropriation receipts – Operating	2.3(a), 4.1	2,713	2,541	1,959
Appropriation receipts – Reserved by law	4.1	546	640	483
User charges		6,831	6,613	6,112
GST receipts	2.3(b)	672	969	889
Other cash receipts		30	34	33
Total cash inflows		10,792	10,797	9,476
Cash outflows				
Employee benefits	2.3(c)	(7,838)	(7,605)	(6,146)
GST payments	2.3(d)	(672)	(985)	(879)
Audit contractors	2.3(e)	(933)	(1,382)	(1,302)
Supplies and consumables		(881)	(1,358)	(1,032)
Other cash payments		(425)	(441)	(363)
Total cash outflows		(10,749)	(11,771)	(9,722)
Net cash from/(used by) operating activities	11.2	43	(974)	(246)
Cash flows from investing activities				
Cash outflows				
Payments for acquisition of non-financial assets		(21)	(8)	(102)
Total cash outflows		(21)	(8)	(102)
Net cash from/(used by) investing activities		(21)	(8)	(102)
Net increase/(decrease) in cash and cash equivalents held				
		22	(982)	(348)
Cash and cash equivalents at the beginning of the reporting period		2,762	2,438	2,786
Cash and cash equivalents at the end of the reporting period	11.1	2,784	1,456	2,438

This Statement of cash flows should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2.3 of the accompanying notes.

Statement of changes in equity

	Contributed equity	Accumulated surplus	Total equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2023	1,168	1,142	2,310
Total comprehensive result	-	(865)	(865)
Balance as at 30 June 2024	1,168	277	1,445

	Contributed equity	Accumulated surplus	Total equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2022	1,168	842	2,010
Total comprehensive result	-	300	300
Balance as at 30 June 2023	1,168	1,142	2,310

This Statement of changes in equity should be read in conjunction with the accompanying notes.

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Note 1. Office output schedules

1.1 Output group information

The Tasmanian Audit Office (the Office) only has a single output called Public Sector Performance and Accountability to fulfil its Outcome Statement of ensuring that it provides independent assurance to the Parliament and community on the performance and accountability of the Tasmanian Public Sector. The summary of budgeted and actual revenues and expenses for this Output are the same as in the Statement of comprehensive income. Therefore, the inclusion of a separate Output Schedule is not necessary.

Explanations of material variances between budget and actual outcomes are provided in Note 2 below. A reconciliation of the net result of the Output Group to the net surplus on the Statement of comprehensive income is not necessary as the Office only has 1 output group. For the same reason, there is no separate reconciliation between the total net assets deployed for the Output Group to net assets on the Statement of financial position.

Note 2. Explanations of material variances between budget and actual outcomes

Budget information refers to original estimates as disclosed in the 2023-24 Budget Papers and is not subject to audit. The following are brief explanations of material variances between the original budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of budget estimate or \$100,000. The Statement of comprehensive income Note 2.1 and Statement of cash flows Note 2.3 include a revised budget column which depicts a change in allocation from the original budget as published in the Budget Papers where applicable. These changes were made to reflect actual anticipated cost allocations. The variance explanations are based upon original budget compared with actuals.

2.1 Statement of comprehensive income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Audit contractors	(a)	916	1,509	593	65
Supplies and consumables	(b)	885	1,324	439	50

Notes to Statement of comprehensive income variances

- (a) Audit contractors expense is higher than budget due to unfilled audit staff positions necessitating the need to engage audit contractors to under undertake audit work.
- (b) Supplies and consumables have increased as a result of general price increases across the board in addition to additional costs associated with the recruitment of a new Auditor-General. See note 5.4 for further details.

2.2 Statement of financial position

Budget estimates for the 2023-24 Statement of financial position were compiled prior to the completion of the actual outcomes for 2022-23. As a result, the actual variance from the original budget estimate will be impacted by the difference between estimated and actual opening balances for 2023-24. The following variance analysis therefore includes major movements between the 30 June 2023 and 30 June 2024 actual balances.

	Note	Budget	2024 Actual	2023 Actual	Budget Variance	Actual Variance
		\$'000	\$'000	\$'000	\$'000	\$'000
Cash and deposits	(a)	2,784	1,456	2,438	(1,328)	(982)
Contract assets	(b)	545	774	566	229	208
Payables	(c)	45	177	62	132	115
Contract liabilities	(b)	549	446	593	(103)	(147)
Accumulated surplus	(d)	763	277	1,142	(486)	(865)

Notes to Statement of financial position variances

Statement of financial position budget is formulated without regard to the actual financial position at any one point in time. It has historically understated the changes in cash and equity.

- (a) The reduction in the balance of Cash and deposits is reflective of increased cash outflows in excess of budget during 2023-24. See the Statement of cash flows and Note 2.3 for further details.
- (b) Contract assets and liabilities are significantly affected by the timing of raising and receipting of invoices for contracted audit work undertaken around the end of each financial year, which can result in significant variations from budget.
- (c) Payables are significantly affected by the timing of receipt of invoices from audit contractors around the end of each financial year, which can result in significant variations from budget.
- (d) The variance in accumulated surplus is primarily attributed to the decrease in Cash and deposits balance as at 30 June 2024.

2.3 Statement of cash flows

	Note	Budget	Actual	Variance	Variance
		\$'000	\$'000	\$'000	%
GST receipts	(a)	672	969	297	44
GST payments	(a)	672	985	(313)	47
Audit contractors	(b)	933	1,382	(449)	48
Supplies and consumables	(c)	881	1,358	(477)	54

- (a) This increase over budget is due to increased expenditure incurred during the year compared with budget, resulting in greater payments and reimbursements of GST to the Australian Taxation Office.
- (b) Audit contractors expense is higher than budget due to unfilled audit staff positions, necessitating the engagement of audit contractors to under undertake audit work.

- (c) Supplies and consumables have increased as a result of general price increases across the board in addition to costs associated with the recruitment of a new Auditor-General. See note 5.4 for further details.

Note 3. Underlying result

Non-operational contributions received represent fit-out costs paid by the landlord in connection with the Office's relocation to Level 2, 144 Macquarie Street, Hobart. The contribution is classified as revenue from continuing operations and included in the Net result from continuing operations. However, the corresponding capital expenditure is not included in the calculation of the Net result from continuing operations. Accordingly, the Net result from continuing operations will portray a position that is better than the true underlying financial result. For this reason, the Net result from continuing operations is adjusted to remove the effects of the landlord's contribution towards the fit-out costs.

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Net result from continuing operations	(51)	(865)	300
Less: Contributions received	-	-	(650)
Underlying Net result from continuing operations	(51)	(865)	(350)

Note 4. Revenue

Revenue is recognised in the Statement of comprehensive income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15.

4.1 Revenue from Government

Appropriations, whether operating or capital, are recognised as revenues in the period in which the Office gains control of the appropriated funds as they do not contain enforceable and sufficiently specific obligations as defined by AASB 15. Except for any amounts identified as carried forward, control arises in the period of appropriation.

Revenue from Government includes revenue from appropriations, unexpended appropriations rolled over under section 23 of the *Financial Management Act 2016* and items reserved by law.

Section 23 of the *Financial Management Act 2016* allows for an unexpended appropriation at the end of the financial year, as determined by the Treasurer, to be issued and applied from the Public Account in the following financial year. The amount determined by the Treasurer must not exceed 5.00 per cent of an agency's appropriation for the financial year.

The Budget information is based on original estimates and has not been subject to audit.

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Appropriation revenue – recurrent	2,713	2 541	1,959
Reserved by law – Auditor-General’s salary and associated allowances	546	640	483
	3,259	3,181	2,442

4.2 Financial audit services

Revenue relating to the provision of financial audit services is recognised over time as the services are performed and performance obligations satisfied. Recognition is in accordance with the terms of the client services agreement or engagement strategy, adjusted for any time that may not be recoverable with reference to the hours incurred. The *Audit Act 2008* provides an enforceable right to payment for audit services provided.

	2024 \$'000	2023 \$'000
Financial audit services user charges	7,098	6,126
	7,098	6,126

4.3 Contributions received

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the Office obtains control of the asset, it is probable that future economic benefits comprising the contribution will flow to the Office and the amount can be measured reliably.

Contributions received represent fit-out costs paid by the landlord as a lease incentive for the Office’s relocation to Level 2, 144 Macquarie Street, Hobart.

	2024 \$'000	2023 \$'000
Contributions received – lease incentive	-	650
	-	650

4.4 Other revenue

Reserved by law – Auditor-General leave provisions revenue represents the movement in leave provisions for the Auditor-General’s leave entitlements, which are appropriations reserved by law.

Miscellaneous revenue primarily represents reimbursements from staff for car parking expenses incurred by the Office.

	2024	2023
	\$'000	\$'000
Reserved by law – Auditor-General leave provisions	(125)	21
Miscellaneous	34	33
	(90)	54

Previously, whenever Auditor-General leave provisions were accounted for, they were recorded as movements in revenue. The negative movement reflects the payment on separation of the former Auditor-General.

Note 5. Expenses

Expenses are recognised in the Statement of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

5.1 Employee benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(a) Employee expenses

	2024	2023
	\$'000	\$'000
Wages and salaries	6,583	5,362
Superannuation – defined contribution scheme	817	621
Superannuation – defined benefit scheme	64	67
Other employee expenses	212	158
	7,676	6,208

Superannuation expenses relating to defined benefits schemes relate to payments into the Public Account. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.95 per cent (2022-23: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 11.00 per cent (2022-23: 10.50 per cent) of salary. In addition, the Office is also required to pay into the Public Account a “gap” payment equivalent to 3.45 per cent (2022-23: 3.45 per cent) of salary in respect of employees who are members of the contribution schemes.

(b) Remuneration of key management personnel

2024	Short-term benefits		Long-term benefits		Termination benefits	Total
	Salary	Other benefits	Superannuation	Other benefits and Long Service Leave		
	\$'000	\$'000	\$'000	\$'000		

Key management personnel

M Thompson, Auditor-General (from 3 May 2024)	69	-	6	6	-	81
R J Whitehead, Auditor-General (to 29 March 2024)	306	27	53	(130)	161	417
J R Wassell, Deputy Auditor-General	212	5	24	10	-	251
D J R Bond, Assistant Auditor-General FAS	186	-	20	13	-	219
J McGuinness, Assistant Auditor-General PAS	167	-	18	(2)	-	183
	940	32	121	(105)	161	1,149

The negative Other Benefits and Long Service Leave balances for R J Whitehead are reflective of the reduction of his annual and long service leave balances to zero and corresponding conversion to cash (Termination Benefits) on his resignation on 29 March 2024.

2023	Short-term benefits		Long-term benefits		Termination benefits	Total ¹
	Salary	Other benefits	Superannuation	Other benefits and Long Service Leave		
	\$'000	\$'000	\$'000	\$'000		

Key management personnel

R J Whitehead, Auditor-General	404	17	42	21	-	484
J R Wassell, Deputy Auditor-General (from 22 February 2023)	91	-	9	5	-	105
G B Emery, Deputy Auditor-General (to 26 July 2022)	11	-	2	(21)	2	(6)

2023	Short-term benefits		Long-term benefits		Termination benefits	Total ¹
	Salary	Other benefits	Superannuation	Other benefits and Long Service Leave		
	\$'000	\$'000	\$'000	\$'000		
D J R Bond, Assistant Auditor-General FAS	173	-	18	3	-	194
J McGuinness, Assistant Auditor-General PAS (from 6 February)	67	-	6	22	-	95
D A White, Director – Corporate Support and Strategy (from 6 March 2023)	45	-	4	5	-	54
P R Johnson, Director – Corporate Support and Strategy (to 7 December 2022)	59	-	12	(57)	56	70
Acting key management personnel						
J McGuinness, Acting Assistant Auditor-General PAS (from 1 July 2022 to 5 February 2023)	93	-	10	(6)	-	97
J Balding, Acting Director CSS (from 8 December 2022 to 3 March 2023)	28	-	3	4	-	35
	971	17	106	(24)	58	1,128

Total remuneration of individual key management personnel can be negative on separation. This is because of long service leave benefits accrued during their employment not being paid out on separation due to the employee not having sufficient length of service to realise their accrued benefit.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Office, directly or indirectly.

Remuneration during 2023-24 for key management personnel is set by the *Audit Act 2008* for the Auditor-General and the *State Service Act 2000* for all other personnel.

Remuneration and other terms of employment are specified in employment contracts and awards.

Short-term benefits include salary, motor vehicle and car parking fringe benefits in addition to any other short-term benefits. Long-term employee expenses include superannuation and movements in annual and long service leave provisions.

Fringe benefits have been reported at the grossed up reportable fringe benefits amount. The Fringe Benefits Tax (FBT) year runs from 1 April to 31 March each year, and any FBT attributable to key management personnel is reported on that basis.

It should be noted that because annual and long service leave liabilities are calculated by discounting future cashflows (detailed in Note 7.2), the termination payments received by any key management personnel may not necessarily correspond with the leave liability associated to that individual.

Acting arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of 1 month.

Terminations

Termination benefits include all forms of benefit paid or accrued as a consequence of termination, including annual leave and long service leave paid out on termination.

(c) Related party transactions

There are no material related party transactions requiring disclosure.

5.2 Depreciation and amortisation

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

The depreciable amount of improvements to or on leaseholds is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is reasonably certain.

Depreciation is provided for on a straight line basis, using rates which are reviewed annually.

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the Office. Major amortisation periods are:

Computer equipment – software	10 years
-------------------------------	----------

The cost of improvements to or on leased properties is amortised over the unexpired period of the lease or the estimated useful life of the improvements to the Office, whichever is the lesser. Major depreciation periods are:

Leased buildings – Level 2, 144 Macquarie Street, Hobart	10 years
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Leased buildings – Launceston	10 years
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	2024	2023
	\$'000	\$'000
Amortisation – intangibles (computer software)	4	4
Depreciation – leasehold improvements	82	70
	86	74

5.3 Audit contractors

	2024	2023
	\$'000	\$'000
Audit contractors	1,509	1,293
	1,509	1,293

5.4 Supplies and consumables

	2024	2023
	\$'000	\$'000
Audit fees – financial audit and review of key performance report	24	23
Audit fees – internal audit	80	46
Lease expense (operating lease costs)	495	439
Consultants and contractors	45	18
Property services	101	95
Communications	4	3
Information technology	261	189
Travel and transport	141	98
Plant and equipment	8	3
Office requisites	17	22
Personnel expenses	104	35
Other supplies and consumables	44	62
	1,324	1,033

Audit fees paid or payable to Newton & Henry for the audit of the Office's financial statements were \$22,000 (2022-23 \$22,890 paid to Nexia Melbourne Audit Pty Ltd).

Lease expense includes lease rentals for short-term leases, lease of low value assets and variable lease payments. Refer to Note 6.3 for breakdown of lease expenses and other lease disclosures.

5.5 Other expenses

Expenses, including accruals not yet invoiced, are recognised when the Office becomes obliged to make future payments or because of a purchase of goods and/or services.

	2024	2023
	\$'000	\$'000
Workers compensation insurance	37	43
Service level agreements	378	295
Other expenses	24	26
	439	364

Service level agreements includes payments to the Department of Justice for the provision of corporate services (including finance, HR and IT support) and in 2023-24 includes IT licence, maintenance and support payments to the Department of Justice previously charged to information technology.

Note 6. Net gains/(losses)

6.1 Net gain/(loss) on accounts receivable

Financial assets are impaired under the expected credit loss approach required under AASB 9 Financial Instruments. The expected credit loss is recognised for all debt instruments not held at fair value through profit or loss.

Key estimates and judgements

An impairment loss using the expected credit loss method for all trade debtors uses a lifetime expected loss allowance. The expected loss rates are based upon historical observed loss rates that are adjusted to reflect forward looking macroeconomic factors.

All impairment losses are recognised in the Statement of comprehensive income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

	2024	2023
	\$'000	\$'000
Impairment of accounts receivable	(20)	-
	(20)	-

Note 7. Assets

Assets are recognised in the Statement of financial position when it is probable that future economic benefits will flow to the Office and the asset has a cost or value that can be measured reliably.

7.1 Receivables

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price. Receivables are recorded inclusive of GST (where applicable).

Receivables are held with the objective to collect the contractual cash flows and are subsequently measured at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

The Office has recognised a receivable for the Auditor-General's leave entitlement equivalent to the liability for those entitlements on the basis that they will be funded by parliamentary appropriation.

The Office maintains a strong accounts receivable management program whereby all outstanding receivables are followed up in a timely fashion. In addition, the nature of the Office's clients has also led to the Office recording minimal impairments of receivables for a number of years.

For ageing analysis of the financial assets past due but not impaired, refer to Note 11.1.

	2024	2023
	\$'000	\$'000
Receivables – Financial audit services	404	262
Less: Expected credit loss	(20)	-
Reserved by law – Auditor-General leave receivable	6	130
GST receivable	8	5
	398	397
Settled within 12 months	392	267
Settled in more than 12 months	6	130
	398	397

	2024	2023
Reconciliation of movement in expected credit loss for receivables	\$'000	\$'000
Carrying amount at 1 July	-	-
Amounts written off during the year	-	-
Increase/(decrease) in provision recognised in profit or loss	20	-
Carrying amount at 30 June	20	-

7.2 Contract assets

A contract asset is the Office's right to consideration in exchange for goods or services that the Office has transferred to the customer but not billed as at the reporting date as all conditions have not been fulfilled. Contract assets become receivable when the rights to receive payment become unconditional on satisfactory completion of performance obligations.

Contract assets represents costs incurred and profit recognised on financial audit engagements that are in progress and have not yet been invoiced at the reporting date. Contract assets are valued at net realisable value after providing for any impairment. Contract assets are recognised in the Statement of financial position and the movement recognised in the Statement of comprehensive income.

	2024	2023
	\$'000	\$'000
Contract assets (work in progress)	774	566
	774	566
Balance at 1 July	566	545
Add: Costs related to financial audit services provided	7,097	6 106
Less: Transfers to receivables	(6,743)	(6,115)
Add: Movement in revenue in advance	(146)	30
Balance at 30 June	774	566

7.3 Leasehold improvements, plant and equipment

(i) Valuation basis

All non-current physical assets, including any work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they

are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of leasehold improvements, plant and equipment have different useful lives, they are accounted for as separate items (major components) of relevant assets.

(ii) Subsequent costs

The cost of replacing part of an item of leasehold improvements, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Office and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of leasehold improvements, plant and equipment are recognised in the Statement of comprehensive income as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by the Office is:

Office equipment, furniture and fittings	\$5,000
Leasehold improvements	\$5,000

Assets valued at less than \$5,000 are charged to the Statement of comprehensive income in the year of purchase. Assets valued at less than these thresholds are charged to the Statement of comprehensive income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(a) Carrying amount

	2024	2023
	\$'000	\$'000
Office equipment, furniture and fittings		
At cost	11	11
Less: Accumulated depreciation	(11)	(11)
	-	-
Leasehold improvements		
At cost	819	819
Less: Accumulated depreciation	(147)	(65)
	672	754
Work in progress (at cost)	-	-
Total leasehold improvements, plant and equipment	672	754

(b) Reconciliation of movements

Reconciliations of the carrying amounts of each class of leasehold improvements, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation.

2024	Leasehold improvements \$'000	Total \$'000
Carrying value at 1 July 2023	754	754
Additions	-	-
Net movement in work in progress	-	-
Depreciation expense	(82)	(82)
Carrying value at 30 June 2024	672	672

2023	Leasehold improvements \$'000	Total \$'000
Carrying value at 1 July 2022	65	65
Additions	786	786
Net movement in work in progress	(27)	(27)
Depreciation expense	(70)	(70)
Carrying value at 30 June 2023	754	754

7.4 Intangible assets

An intangible asset is recognised where it is probable that an expected future economic benefit attributable to the asset will flow to the Office and the cost of the asset can be reliably measured.

Intangible assets held by the Office are reported at cost less any accumulated amortisation and any accumulated impairment loss. The carrying amounts of intangibles are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

(a) Carrying amount

	2024	2023
	\$'000	\$'000
Intangibles with a finite useful life		
Software at cost	32	32
Less: Accumulated amortisation	(23)	(19)
	9	13
Work in progress (at cost)	-	-
	9	13

(b) Reconciliation of movements

	2024	2023
	\$'000	\$'000
Carrying amount at 1 July	13	17
Net movement in work in progress	-	-
Transfer	-	-
Amortisation expense	(4)	(4)
Carrying amount at 30 June	9	13

7.5 Other assets

Other assets comprise prepayments. Prepayments relate to actual transactions that are recorded at cost with the asset at balance date representing the unutilised component of the prepayment.

	2024	2023
	\$'000	\$'000
Other assets		
Prepayments	98	60
Total other assets	98	60
Utilised within 12 months	98	60
Total other assets	98	60

Note 8. Liabilities

Liabilities are recognised in the Statement of financial position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

8.1 Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at the nominal amount when the Office becomes obliged to make future payments as a result of a purchase of assets or services.

	2024	2023
	\$'000	\$'000
Creditors and accruals	177	62
	177	62
Settled within 12 months	177	62
	177	62

Settlement is usually made within 30 days.

8.2 Employee liabilities

Key estimates and judgements

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid.

Other employee entitlements are measured as the present value of the benefit at 30 June where the impact of discounting is material and at the amount expected to be paid if discounting is not material. The Office assumes that all staff annual leave balances less than 20 days will be settled within 12 months and are therefore valued at nominal value, and balances in excess of 20 days will be settled in greater than 12 months and are therefore calculated at present value.

A liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The Office makes a number of assumptions regarding the probability that staff who have accrued long service leave but are ineligible to take it will remain with the Office long enough to take it. For those staff eligible to take their long service leave, the Office assumes that they will utilise it, on average, evenly over the following 10 years.

All long service leave that will be settled within 12 months is calculated at nominal value and all long service leave that will be settled in greater than 12 months is calculated at present value.

	2024	2023
	\$'000	\$'000
Accrued salaries	233	157
Annual leave	391	400
Long service leave	570	565
Superannuation	145	141
	1,339	1,263
Expected to settle wholly within 12 months	659	563
Expected to settle wholly after 12 months	680	700
	1,339	1,263

8.3 Superannuation

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Office does not recognise a liability for the accruing superannuation defined benefits of Office employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

8.4 Contract liabilities

The Office invoices for financial audit services on an agreed instalment basis. Where services have been invoiced but work has not been undertaken, an amount is recognised as revenue in advance.

	2024	2023
	\$'000	\$'000
Revenue received in advance	446	593
Revenue recognised during the year that was included in the contract liability balance at the beginning of the year	593	563
Revenue recognised during the year from performance obligations satisfied (or partially satisfied) in previous years	-	-

Note 9. Commitments

9.1 Schedule of commitments

Commitments represent those contractual arrangements entered by the Office that are not reflected in the Statement of financial position.

	2024	2023
	\$'000	\$'000
Commitments by type		
Contract audits	1,436	1,498
Service level agreement with Department of Justice	349	687
Office rent and motor vehicle fleet agreements	2,087	2,349
Other commitments	72	167
Total commitments	3,944	4,701

	2024	2023
	\$'000	\$'000
Commitments by maturity		
1 year or less	1,710	1,715
From 1 to 5 years	1,439	1,955
Over 5 years	795	1,031
Total commitments	3,944	4,701

(a) Office rent and motor vehicle fleet agreements

For Launceston Office accommodation, the remaining commitment is 3 years. For Hobart Office accommodation, the remaining term is 8 years as a new agreement was entered into in June 2022. Both of these leases are held by the Department of Treasury and Finance.

The motor vehicle commitments are governed by the Government's contract held by the Department of Treasury and Finance. Motor vehicle commitments have been calculated based on the agreements entered into as at 30 June 2024 and the value and remaining term of the outstanding commitment payments. All amounts shown are exclusive of GST.

(b) Other commitments

Commitments exist for the payments under contract/agreement for future auditing services, audit software licensing and the multi-function device lease.

Note 10. Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Statement of financial position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation. The Office does not have any contingent assets or liabilities.

Note 11. Cash flow reconciliation

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in Specific Purpose Accounts, being short term of 3 months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

11.1 Cash and deposits

Cash and cash equivalents includes the balance of the Specific Purpose Accounts held by the Office, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2024	2023
	\$'000	\$'000
Special Purpose Account – S644	1,456	2,438
Total cash and deposits	1,456	2,438

11.2 Reconciliation of net result to net cash from/(used in) operating activities

	2024	2023
	\$'000	\$'000
Net result from transactions	(865)	300
Depreciation and amortisation	86	74
Lease incentive	-	(650)
Accrued payment for Leasehold improvements	8	-
Decrease (increase) in Receivables	2	(48)
Decrease (increase) in Contract assets	(208)	(21)
Decrease (increase) in Prepayments	(38)	3
Decrease (increase) in Tax receivable	(3)	12
Increase (decrease) in Tax liabilities	-	-
Increase (decrease) in Employee entitlements	76	50
Increase (decrease) in Payables	115	4
Increase (decrease) in Contract liabilities	(147)	30
Net cash from/(used in) operating activities	(974)	(246)

11.3 Reconciliation of liabilities arising from financing activities

The Office does not have any liabilities arising from financing activities.

Note 12. Financial instruments

12.1 Risk exposures

(a) Risk management policies

The Office has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

The Auditor-General has overall responsibility for the establishment and oversight of the Office's risk management framework. Risk management policies are established to identify and analyse risks faced by the Office, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Office if a client or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial assets		
Receivables and work in progress	<p>The Office's receivables are reviewed monthly for recoverability and investigation, particularly for those at 90+ days by the engagement leader. At 30 June 2024, 8.00 per cent of debtors were 90+ days outstanding. With 1 exception, debtors are deemed receivable at 30 June 2024.</p> <p>The Office's work in progress is reviewed monthly for recoverability. Work in progress drives the budget for financial audit services user charges. Recoverability was set at 88 per cent for 2023-24. This target was not met at 30 June 2023, with recoverability at 78.4 per cent.</p>	<p>Normal credit terms are 14 days as dictated by the Treasurer's Instruction.</p>

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Cash and deposits	The Office's financial indicators for support of sustainability published in our annual report as follows: End of year cash balance greater than \$600,000. This target was met at 30 June 2024.	Cash means notes, coins and any deposits held at call with a bank or financial institution.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Office's maximum exposure to credit risk without taking into account any collateral or other security.

There has been no change to credit risk policy since the previous reporting period.

Past history and the fact that user charges are a debt to the Crown indicate there is low risk to the credit quality of these financial assets.

Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Office's maximum exposure to credit risk without taking into account any collateral or other security.

	2024	2023
	\$'000	\$'000
Financial audit services receivables	404	262
Expected credit loss	(20)	-
Total	384	262

Expected credit loss analysis of receivables

The simplified approach to measuring expected credit losses is applied which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June are as follows.

2024	Not past due		Past due	Past due	Total
	due	1-30 days	31-60 days	61-90 days	
	\$'000	\$'000	\$'000	\$'000	
Expected credit loss rate (A)	0%	0%	0%	67%	5%
Total gross carrying amount (B)	300	28	45	31	404
Expected credit loss (A x B)	-	-	-	20	20

2023	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
	Expected credit loss rate (A)	0%	0%	0%	0%
Total gross carrying amount (B)	152	92	-	18	262
Expected credit loss (A x B)	-	-	-	-	-

(c) Liquidity risk

Liquidity risk is the risk that the Office will not be able to meet its financial obligations as they fall due. The Office's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The Office, as part of its risk management plan, manages liquidity risk through processes that ensure effective audit operations, timely billing of work in progress and recovery of debtors, and effective cash flow management. This includes managing annual and long service leave arrangements to minimise potential negative cash flow impacts.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial liabilities		
Payables	The Office's financial indicators for support of sustainability published in our annual report as follows: Maintaining a positive cash balance of \$600,000 in order to have sufficient liquidity to meet its liabilities when they fall due. This target was met at 30 June 2024.	As per Treasurer's Instruction FC-7 the Office pays within suppliers' credit terms. Where there are no credit terms specified, Office policy is to pay within 14 days of receipt of a correctly rendered tax invoice.

Maturity analysis for financial liabilities

The following tables detail the undiscounted cash flows payable by the Office by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of financial position.

2024	Maturity analysis for financial liabilities		
	1 Year	Undiscounted total	Carrying amount
	\$'000	\$'000	\$'000
Financial liabilities			
Payables	177	177	177
Total	177	177	177

2023	Maturity analysis for financial liabilities		
	1 Year	Undiscounted total	Carrying amount
	\$'000	\$'000	\$'000
Financial liabilities			
Payables	62	62	62
Total	62	62	62

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. As of 30 June 2024, the Office does not have any interest bearing assets or liabilities. As a result, its exposure to market risk is minimal.

12.2 Categories of financial assets and liabilities

Amortised cost	2024	2023
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	1,456	2,438
Receivables	398	397
Total	1,854	2,835
Financial liabilities		
Payables	177	62
Total	177	62

12.3 Comparison between carrying amount and net fair value of financial assets and liabilities

	Carrying amount 2024 \$'000	Net fair value 2024 \$'000	Carrying amount 2023 \$'000	Net fair value 2023 \$'000
Financial assets				
Cash in Special Deposits and Trust Fund	1,456	1,456	2,438	2,438
Receivables	398	398	397	397
Total financial assets	1,854	1,854	2,835	2,835
Financial liabilities (recognised)				
Payables	177	177	62	62
Total financial liabilities (recognised)	177	177	62	62

12.4 Net fair values of financial assets and liabilities

2024	Amortised cost \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets					
Cash and deposits	1,456	-	-	-	1,456
Receivables	398	-	-	-	398
Total financial assets	1,854	-	-	-	1,854
Financial liabilities					
Payables	177	-	-	-	177
Total financial liabilities	177	-	-	-	177

2023	Amortised cost	Net Fair Value Level 1	Net Fair Value Level 2	Net fair Value Level 3	Net Fair Value Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits	2,438	-	-	-	2,438
Receivables	397	-	-	-	397
Total financial assets	2,835	-	-	-	2,835
Financial liabilities					
Payables	62	-	-	-	62
Total financial liabilities	62	-	-	-	62

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. The Office uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- *Level 1* – the fair value is calculated using quoted prices in active markets;
- *Level 2* – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- *Level 3* – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Note 13. Events occurring after balance date

There have been no events subsequent to balance date which would have a material effect on the Office's financial statements as at 30 June 2024.

Note 14. Other material accounting policies and judgements

14.1 Objectives and funding

The Office is structured to provide audit assurances to Parliament concerning the Financial Statements of the Treasurer and all State entities, and the economy, efficiency and effectiveness of those entities.

The Office charges fees for financial audit services. Since 1 July 2008, the Office has been funded by a direct parliamentary appropriation for undertaking performance and compliance audits, special investigations and the publishing of statutory reports to

Parliament. The Auditor-General's salary and associated allowances are also funded through a parliamentary appropriation.

These financial statements encompass all funds through which the Office controls resources to carry on its functions.

14.2 Basis of accounting

The financial statements are a general purpose financial report and have been prepared in accordance with:

- Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB)
- the Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016*.

The financial statements were signed by the Auditor-General on 14 August 2024.

Compliance with AAS may not result in compliance with International Financial Reporting Standards (IFRS) as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Office is a not-for-profit entity and may adopt some accounting policies under the AAS that do not comply with IFRS.

The financial statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. Material accounting policy information is consistent with the previous year except for those changes outlined in Note 13.5.

The financial statements have been prepared on the basis that the Office is a going concern. The continued existence of the Office in its present form, undertaking its current activities, is dependent on Government policy and partially on continuing appropriations by Parliament for the Office's performance and compliance audits and reporting to Parliament.

The Office has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

14.3 Reporting entity

The financial statements include all the controlled activities of the Office. The Office is a single reporting entity.

14.4 Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Office's functional currency.

14.5 Changes in accounting policies

(a) Impact of new and revised Australian Accounting Standards and Interpretations

There were no new or revised Standards and Interpretations issued by the Australian Accounting Standards Board that have a material impact on the reporting of the Office's operations for the current annual reporting period.

(b) Impact of new and revised Australian Accounting Standards and Interpretations yet to be applied

The Office has considered the new accounting standards and assessed that they will not have a material impact on the financial statements once adopted in future reporting periods.

14.6 Comparative figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at Note 13.5.

Where amounts have been reclassified within the financial statements, the comparative statements have been restated. The comparatives for external administrative restructures are not reflected in the financial statements.

14.7 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statements include a note expressing the amount to the nearest whole dollar.

14.8 Office taxation

The Office is exempt from all forms of taxation except Fringe Benefits Tax and Goods and Services Tax.

14.9 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable or payable to the ATO is recognised as an asset or liability (respectively) within the Statement of financial position.

In the Statement of cash flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from or payable to the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

Note 15. Auditor's remuneration

The Governor, on recommendation of the Treasurer, in accordance with the *Audit Act 2008*, appoints the auditor of the Tasmanian Audit Office. Newton & Henry were appointed for 3 years commencing 30 June 2024, with the option for an additional 3 years.

	2024	2023
	\$'000	\$'000
Financial audit fees	22	20
Fee to review key performance indicator report	-	3
Total	22	23

Note 16. Principal address and registered office

Level 2
144 Macquarie Street
Hobart Tasmania 7000.

Independent Auditor's Report

To the Governor of Tasmania in relation to the Tasmanian Audit Office

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Tasmanian Audit Office (the Office), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement of certification.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Tasmanian Audit Office as at 30 June 2024 and of its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards and the *Financial Management Act 2016*.

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 Office in accordance with the auditor independence requirements and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Other information

Those Auditor-General is responsible for the other information. The other information comprises the information included in the Tasmanian Audit Office's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. The annual report is expected to be made available to us after the date of this independent auditor's report.

Auditor-General's responsibility for the financial report

The Auditor-General is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and *Financial Management Act 2016*, and for such internal control as the Auditor-General determines is necessary to enable the preparation of the financial report that is free from misstatement, whether due to fraud or error.

In preparing the financial report, the Auditor-General is responsible for assessing the Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Auditor-General either intends to liquidate the Office or to cease operations, or has no realistic alternative but to do so.

The Auditor-General is responsible for overseeing the Office's financial reporting process.

Auditor's responsibility for the audit of the financial report

Our objectives are 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. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 this 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 control 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 Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of those charged with governance'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 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 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 those charged with governance 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.

Newton & Henry

Newton & Henry



Andrew Gray
Director

Dated 14 August 2024

Acronyms and abbreviations

AAG	Assistant Auditor-General
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ACAG	Australasian Council of Auditors-General
ASA	Australian Standards on Auditing
ASAE	Australian Standard on Assurance Engagements
ASQM	Australian Standard on Quality Management
ATO	Australian Taxation Office
Audit Act	<i>Audit Act 2008</i>
CaseWare	CaseWare Audit System
CPA Australia	Certified Practising Accountants Australia
CSS	Corporate Support and Strategy – a business unit of the Office
FAS	Financial Audit Services – a business unit of the Office
FBT	Fringe Benefits Tax
FTE	Full Time Equivalent
GST	Goods and Services Tax
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
JusticeConnect	Department of Justice Astria Program
KPI	Key Performance Indicator
OHST	Oral Health Services Tasmania
PAS	Performance Audit Services – a business unit of the Office
PID Act	<i>Public Interest Disclosure Act 2002</i>
PIP Act	<i>Personal Information Protection Act 2004</i>
RTI Act	<i>Right to Information Act 2009</i>
Staff Survey	Tasmanian State Service Employee Survey
State Service Act	<i>State Service Act 2000</i>
the Office	Tasmanian Audit Office
WCAG 2.1	Web Content Accessibility Guidelines Version 2.1

Appendices



Appendix 1 – Presentations and speeches

Our staff provide information on aspects of our work at a variety of forums. External speeches and presentations delivered during 2023-24 are listed below.

Date	Details
16 October 2023	Presentation at the ANZSOG Deputies Leadership Program 2023 via Zoom Topic: Insights from Auditors-General Presenter: Rod Whitehead
6 November 2023	UTAS guest lecture: What is Performance Auditing? Presenter: Janine McGuinness
17 January 2024	UTAS guest lecture: Auditing in the Public Sector Presenter: Stephen Morrison
6 and 8 May 2024	UTAS Auditing Unit: Workshop by TAO staff for students Presenters: Derek Burns, Harry Batt, Julie Cheng and Chingiz Khamitov

Our staff also presented the following information sessions to our clients and stakeholders.

Date	Details
8 May 2024	Client Information Session – Local Government (online) Presenters: Martin Thompson, Jonathan Wassell, Stephen Morrison, Janine McGuinness, David Bond and Jeff Tongs
9 May 2024	Client Information Session – Government Businesses (online) Presenters: Martin Thompson, Jonathan Wassell, Stephen Morrison, Janine McGuinness, David Bond and Jeff Tongs
10 May 2024	Client Information Session – General Government and Other Not-for-profit Sector (online) Presenters: Martin Thompson, Jonathan Wassell, Stephen Morrison, Janine McGuinness, David Bond and Jeff Tongs
13 May 2024	Senior Management and Members of Audit Committees Information Session Presenters: Martin Thompson, Jonathan Wassell, Janine McGuinness, David Bond, Stephen Morrison and Jeff Tongs
19 June 2024	Presentation of the Auditor-General’s Annual Plan of Works 2024-25 to the Parliamentary Standing Committee of Public Accounts Presenters: Martin Thompson, Jonathan Wassell and Janine McGuinness

Appendix 2 – Right to information, privacy and public interest disclosures

Right to information

We are committed to ensuring our administrative information is available to the public. The *Right to Information Act 2009* (RTI Act) gives the public, the media and Members of Parliament the right to access information that we hold, unless the information is exempt from release.

Under section 6 of the RTI Act, the Auditor-General is exempt from providing any requested information unless it relates to our administration. Information relating to financial and performance audits conducted and reports to Parliament are regarded as exempt, being classified as internal working information, as is information compiled in making preliminary assessments following receipt of referrals.

1 request was received and processed under the RTI Act in 2023-24.

Protecting privacy

We are committed to protecting each individual's privacy in the way we collect, use and disclose personal information. We also ensure that individuals have a degree of control over their own personal information. When dealing with private information, we do so in accordance with the *Personal Information Protection Act 2004* (PIP Act).

No requests were received under the PIP Act in 2023-24.

Public interest disclosures

The purpose of the *Public Interest Disclosures Act 2002* (PID Act) is to encourage and facilitate disclosures about improper conduct of public officers or public bodies. We are committed to the aims and objectives of the PID Act, recognising the value of transparency and accountability in administrative and management practices.

We support the making of disclosures that reveal corrupt conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment.

We do not tolerate improper conduct by our staff or the taking of reprisals against those who come forward to disclose such conduct. All reasonable steps are taken to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure.

Our procedures are accessible on our website, www.audit.tas.gov.au, or available upon request by email to PID@audit.tas.gov.au.

In accordance with the requirements of section 86 of the PID Act, we advise that in the 2023-24 financial year:

- no disclosures of public interest were made to us
- no public interest disclosures were investigated by us
- no disclosed matters were referred to us by the Tasmanian Ombudsman
- no disclosed matters were referred by us to the Tasmanian Ombudsman to investigate
- no investigations of disclosed matters were taken over by the Tasmanian Ombudsman from us
- there were no disclosed matters that we decided not to investigate
- there were no disclosed matters substantiated on investigation as there were no disclosed matters
- the Tasmanian Ombudsman made no recommendations under the PID Act that relate to us.

Process for appealing decisions by the Office

We do not administer any legislation and the nature of our remit under the Audit Act is that there are no appealable decisions made by the Office.

Office contact details

Role	Contact officers and details
Public Interest Disclosure Officers	Jeff Tongs and Janine McGuinness PID@audit.tas.gov.au
Right to Information Officers	Jeff Tongs and Janine McGuinness admin@audit.tas.gov.au
Personal Information Contact Officer	admin@audit.tas.gov.au

Appendix 3 – Risk management and asset management

Risk management

Reviewing key business risks is fundamental to our strategic and business processes. We also apply risk management to all major projects, including those relating to financial and performance auditing services and to key corporate service functions.

During 2023-24, we monitored and regularly reviewed key risks and associated treatment plans according to our key headline risks, being as follows:

- an inability to attract, develop and retain staff due to failure to provide appropriate learning and development opportunities, poor organisational culture, failure to recognise and reward staff performance, failure to support appropriate staff support interventions or inefficient and ineffective processes for attracting and recruiting staff
- the issuance of inappropriate audit opinions and/or reports due to failure to provide sufficient resources to conduct Office audits or failure to use correct auditor's report or issue the correct auditor's opinion on the audit of financial statements or for an audit by arrangement
- the loss or misuse of sensitive information held by Office due to inadequate physical ICT security measures, inappropriate access, use or distribution of the Office's sensitive information to unauthorised third parties or failure to enforce Office's contractual obligations with respect to confidentiality agreements
- a failure to protect peoples' health and wellbeing due to hazard or threat prevalent in the community, complex and demanding nature of work, inappropriate behaviour in the workplace or manager failure to recognise employee inability to perform duties
- key vendors failing to deliver goods and/or services to the Office's expectations due to failure to contract manage the Office/vendor contractual obligations
- the failure of key ICT systems due to failure of vendor to recover from a critical business interruption
- the Office's statutory independence is compromised due to State Government not keeping at arm's length from the Office's operations
- adverse fraud and/or corruption event due to Office staff member/contractor/third party engaging in unlawful activity
- the Office's inability to sustainably manage its operations due to the Office not being able to recover from a disaster, emergency or pandemic or the Office not having the right mix of skilled and competent staff

- Inadequate leadership and governance of the Office due to an absence of clear and appropriate leadership at the executive and senior management level of the Office and/or unclear assignment of roles, responsibilities and authority.

A report on the status of risk treatments identified on the registers is periodically presented to our Strategic Leadership Group and to the Risk and Audit Committee. Our strategic internal audit program is structured around the identified risks around internal controls associated with our Risk Register. In addition to internal audits, we address risks through steps such as:

- identifying audit topics of public interest
- regularly meeting with Parliamentarians and key clients
- quality assurance and independent peer reviews
- allocating responsibility for managing risks to appropriate staff and in business plans
- continuing to improve the quality, readability and balance our reporting
- ensuring we have a workplace that attracts and retains the staff required
- prompt monthly financial reporting inclusive of financial projections
- ensuring we are properly governed
- insurance.

Our insurance arrangements are with the Tasmanian Risk Management Fund and insurance cover is for travel, general property, personal accident, transit, motor vehicles, general liability and workers compensation.

Asset management

Our financial statements for 2023-24 in this report contain full details of our assets. These are recorded in accordance with our accounting policies and procedures, and these amounts are disclosed in the statements, together with appropriate policies.

Details of our assets are recorded in the asset module of our financial management system. This provides a direct link between our asset register and the general ledger, which enhances our financial reporting. We also track portable and attractive items on a register held in our financial management system. This register is reviewed annually.

Appendix 4 – Government procurement and pricing policies

Government procurement

We ensure procurement is undertaken in accordance with the mandatory requirements of Treasurer’s Instructions relating to procurement, including that Tasmanian businesses are given every opportunity to compete for our business. The following table summarises the level of participation by Tasmanian businesses for contracts and procurement processes valued at \$50,000 or more (excluding GST).

Summary of participation by Tasmanian businesses (for contracts and procurement processes valued at \$50,000 or more)¹

Total number of contracts awarded	3
Total number of contracts awarded to Tasmanian businesses ²	2
Value of contracts awarded	\$317,350
Value of contracts awarded to Tasmanian businesses	\$251,000
Total number of procurement processes run	3
Total number of submissions (bids) received	7
Total number of submissions (bids) received from Tasmanian businesses	6

¹The values in this table do not include the value of options to extend or GST.

²A Tasmanian business is a business operating in Tasmania that has a permanent office or presence in Tasmania and which employs Tasmanian workers.

Contracts valued \$50,000 or over (excluding GST) (excluding consultancy contracts)

The following table gives detailed information on contracts valued at \$50,000 (excluding GST) or more.

Name of contractor	Location	Description of contract	Period of contract	Value of contract (initial period)	Value of option to extend
Deloitte Touche Tohmatsu	Hobart, Tasmania	Performance Audit – Management of Departmental Office Accommodation	8 months	\$87,000	N/A

Name of contractor	Location	Description of contract	Period of contract	Value of contract (initial period)	Value of option to extend
Crowe Australasia an affiliate of Index	Sydney, NSW	Financial Services Audit – Review of year end valuation of financial statements for Aurora Energy Pty Ltd	2 years	First year: \$32,350 Second year: \$32,350 + AGD (average 5%) = \$34,000 Total: \$66,350	
Deloitte Touche Tohmatsu	Hobart, Tasmania	Performance Audit – Shared Services Arrangements in the General Government Sector	6 months	\$164,000	N/A

Consultancies over \$50,000 (excluding GST)

There were no consultancies over \$50,000 (excluding GST) during 2023-24.

Pricing policies

Fees for financial audits are determined by the Auditor-General pursuant to section 27 of the Audit Act.

The basis for setting fees is to be described in a report to Parliament dealing with the results of financial audit of State entities. The latest basis was detailed in the Report of the Auditor-General No. 2 of 2023-24: Auditor-General’s Report on the Financial Statements of State Entities, Volume 1, Audit of State entities and audited subsidiaries of State entities 31 December 2022 and 30 June 2023, available from the Office’s [website](#).

Procurement complaints

We received no complaints from businesses on our procurement practices or procedures.

Office contact officer

Responsibility	Primary Contact Officer
Procurement Complaints Officer	Jonathan Wassell: admin@audit.tas.gov.au

Appendix 5 – Superannuation declaration

I, Martin Thompson, hereby certify that the Tasmanian Audit Office has met its obligations under the Commonwealth *Superannuation Guarantee (Administration) Act 1992* for those staff of the Office who are members of the following complying superannuation schemes to which the Office contributes:

- AMP Directions Personal Super
- AMP Signature Super
- Australian Ethical Super
- Australian Retirement Trust
- Australian Super
- Aware Superannuation
- BT Super for Life
- FirstWrap Plus Super
- Hazel Joven SMSF
- Hostplus Super
- Macquarie Super Manager
- Mercer - SmartSuper
- MLC Masterkey Business Super
- MLC Wrap Super - Super Service
- MyNorth Super
- PublicSectorSuper Accum. Plan
- RBF Contributory Scheme
- REST Employer Sponsored Super
- SmartMonday PRIME
- Spirit Super
- Student Super Professional Super
- The Trustee for OneSuper
- Unisuper Limited
- Vision Personal Plan
- Whitehead Super Fund.

Martin Thompson
Auditor-General

30 June 2024

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Audit mandate and standards applied

Mandate

Section 23 of the *Audit Act 2008* states that:

- (1) The Auditor-General may at any time carry out an examination or investigation for 1 or more of the following purposes:
 - (a) examining the accounting and financial management information systems of the Treasurer, a State entity or a subsidiary of a State entity to determine their effectiveness in achieving or monitoring program results;
 - (b) investigating any matter relating to the accounts of the Treasurer, a State entity or a subsidiary of a State entity;
 - (c) investigating any matter relating to public money or other money, or to public property or other property;
 - (d) examining the compliance of a State entity or a subsidiary of a State entity with written laws or its own internal policies;
 - (e) examining the efficiency, effectiveness and economy of a State entity, a number of State entities, a part of a State entity or a subsidiary of a State entity;
 - (f) examining the efficiency, effectiveness and economy with which a related entity of a State entity performs functions –
 - (i) on behalf of the State entity; or
 - (ii) in partnership or jointly with the State entity; or
 - (iii) as the delegate or agent of the State entity;
 - (g) examining the performance and exercise of the Employer's functions and powers under the *State Service Act 2000*.
- (2) Any examination or investigation carried out by the Auditor-General under subsection (1) is to be carried out in accordance with the powers of this Act.

Standards applied

Section 31 specifies that:

- (1) The Auditor-General is to perform the audits required by this or any other Act in such a manner as the Auditor-General thinks fit having regard to –
 - (a) the character and effectiveness of the internal control and internal audit of the relevant State entity or audited subsidiary of a State entity; and
 - (b) the Australian Auditing and Assurance Standards.

Note: The auditing standards referred to are the Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board.



Tasmanian
Audit Office