

# What to expect from a performance audit

*Our role is to serve the public interest by providing Parliament with independent and impartial information about state and local government accountability and performance. Our audits are an important part of open and accountable government.*



## About the OAG

The Office of the Auditor General (OAG) supports the Auditor General in auditing the finances and activities of Western Australian state and local government entities.

The Parliament (as the representative of the people of Western Australia) is our key client.

The Auditor General reports directly to Parliament not a government minister. This independence and freedom from influence or interference is the cornerstone of public sector audit.

## What is a performance audit?

Performance audits assess the efficiency and effectiveness of activities, services and programs.

We conduct 2 types of performance audits:

- broad scope – which focus on the effectiveness and efficiency of larger programs, projects and services
- narrow scope – which have a tighter focus and may assess internal controls, compliance with legislation, policy and good practice, and information systems.

More information can be found in our Audit Practice Statement at [www.audit.wa.gov.au/corporate-publications](http://www.audit.wa.gov.au/corporate-publications).

## What our audits don't do

The role and authority of the Auditor General is considerable. However, our audits do not:

- comment on or criticise policy decisions. Although, the Auditor General can assess whether state and local government policy has been effectively implemented
- investigate fraud or other criminal matters. These are handled by the police or the Corruption and Crime Commission
- investigate administrative malpractice by state and local government that affect an individual. Such matters are the mandate of the Ombudsman.

## How does the Auditor General decide what to audit?

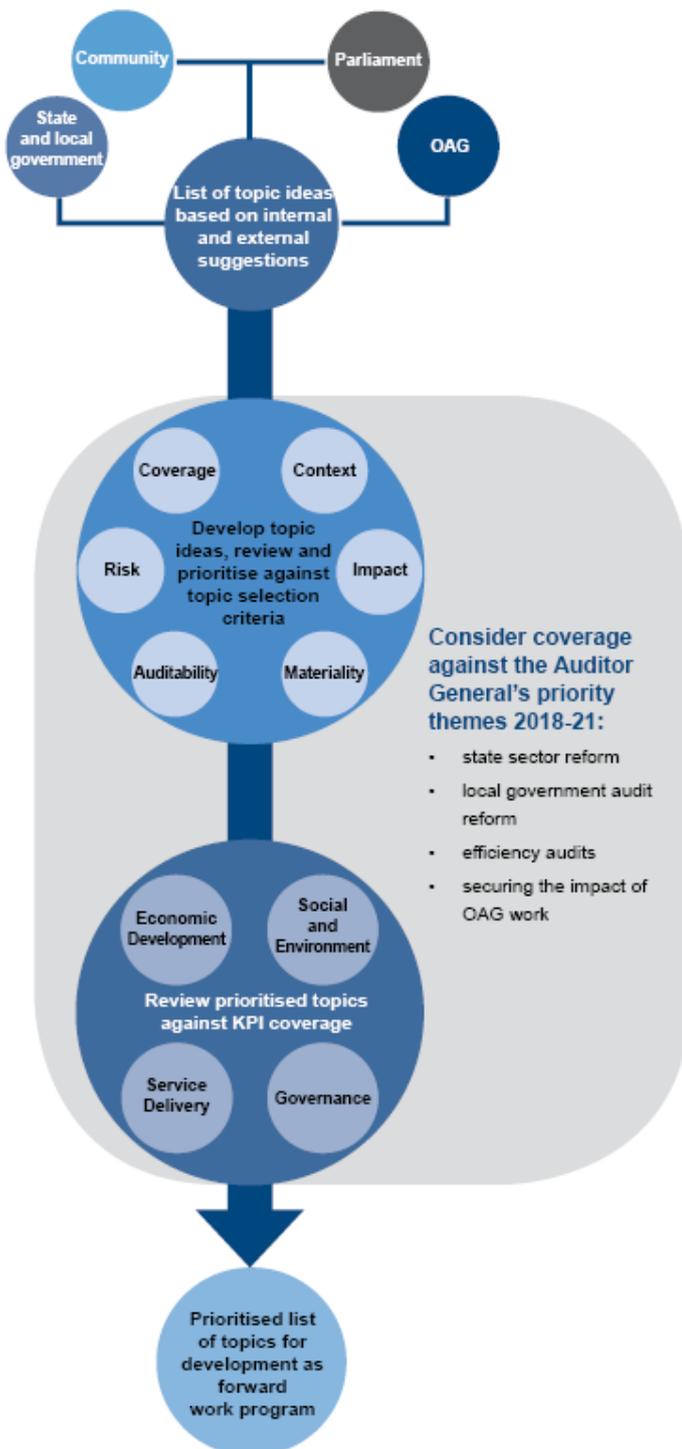
Deciding what to audit is a key part of the Auditor General's independence and is not subject to direction from Parliament or government.

We have a topic selection framework to make sure our selection of topics is objective, robust and transparent.

We seek to select a program that is balanced in its coverage, contains topics that matter to Parliament and the community, and that reflects how and where public sector entities are spending public money.

We make our forward work program available on our website at [www.audit.wa.gov.au/audit-program](http://www.audit.wa.gov.au/audit-program).

## Our topic selection framework



## Our approach to performance auditing

The OAG uses a 'no surprises' approach in carrying out its performance audits. These 5 key principles guide our work:

- We conduct our audits in accordance with Australian Auditing and Assurance Standards.
- We demonstrate the highest standards of ethical and personal behavior.
- We approach our audits in a fair and constructive way.
- We conduct and report our audits in an impartial manner.
- We report matters of significance arising from audits to Parliament.

More information about our values, how we set our strategy and manage our business to deliver consistently high quality audits can be found in our Transparency Report at [www.audit.wa.gov.au/corporate-publications](http://www.audit.wa.gov.au/corporate-publications).

## Our approach to reporting

We expect state and local government heads to update their Minister/Mayor (or counterpart) on performance audits at their organisation. However, confidentiality provisions in section 46 of the *Auditor General Act 2006* mean that copies of a report cannot be shared prior to tabling. Our standard practice is to brief relevant Ministers/Mayors before tabling our reports in Parliament.

## Important internal controls

While legislation may determine minimum specific requirements, entities still need to ensure they have strong internal controls and good governance. Strong controls make sure things go right and prevent things going wrong. Management needs to have oversight and monitoring of their controls and internal audit is critically important in ensuring controls and oversight are effective. With all this in place, the Auditor General acts as a last line of defence - providing stronger levels of assurance to Parliament, and ultimately the people of Western Australia.

