

On 26 October 2021, the OAG hosted its third forum for State and local government audit committee chairs. Margaret Pyrchla, Chair of the Health Support Services audit committee, provided the keynote presentation and Grant Robinson, Assistant Auditor General Financial Audit, provided a summary of recent OAG audit results. Key points from their presentations are provided below.



### **Audit committees have a role in setting culture**

Discussing culture, Ms Pyrchla said the tone and behaviours of an organisation are set at the top and the audit committee has an incredibly important role to play ensuring the culture aligns with organisational values.

It is also important that organisations appreciate the role of internal and external auditors, and that their visits are welcomed rather than dreaded. Auditors add value and ensure organisations are performing to the level external parties and boards expect.

### **There are mutual benefits of engaging with staff**

Recently, the Health Support Services audit committee invited junior members of staff to their meetings to provide a professional development opportunity and for the staff to learn how the committee operates and what it considers important. It also gave committee members the opportunity to receive information firsthand and to learn more about the organisation from a staff members point of view. The committee have already seen benefits from this initiative, including better quality reports being provided.

### **State government qualified opinions and unresolved issues have increased**

At 22 October 2021, the OAG had issued audit opinions for 134 of 143 State government entities. Nine have received qualified opinions and we expect this number will increase as we finalise the outstanding audits. Common issues relate to payroll, procurement, general computer controls and remote access and network security controls.

Regarding financial management control findings, Mr Robinson said concerningly the number of unresolved issues from previous years has increased to 29%. In 2019-20 we reported 26% were unresolved issues and 20% in 2018-19. Audit committee chairs should ask management why issues remain unresolved.

### **Recommended areas of focus for audit committees**

Based on the OAG's financial audit findings, Mr Robinson suggested audit committees focus on: completing a rolling check on previous year's audit findings, taking prompt action on recommendations, monitoring the implementation of recommendations, challenging management to ensure that actions are implemented (tool 7 from our [WA Public Sector Audit Committees Better Practice Guide](#) will assist with monitoring progress) and escalating issues to the accountable authority if progress is not evident.

It was great to have questions from attendees, both in the room and online, that reminded us that the character and purpose of an organisation will determine risk but that we need a mature risk focus into the future.

To assist with the smooth running and timely delivery of audits we ask all entities to be prepared for audit commencement. Our [WA Public Sector Financial Statements Better Practice Guide](#) is available to help entities.

If you have any feedback on the forum or topics you would like presented email [communications@audit.wa.gov.au](mailto:communications@audit.wa.gov.au)