

Report on a page

We are the independent auditor for the Queensland public sector and local government entities, accountable to the parliament and the wider community. Our financial audits deliver opinions on the accuracy and reliability of entities' financial statements. We also deliver performance audits, which examine whether public money is being used well and government is meeting the community's expectations for service delivery.

This transparency report covers our audit quality program for the financial year ended 30 June 2022. Its content is guided by the *Corporations Act 2001*. The report explains our quality program and results and how we seek to improve our audit and assurance practices, and describes our system of quality control. The report also discusses major changes arising from new quality management standards.

Our quality results and what we learnt

Our audit quality program monitors all financial audits, performance audits and assurance reviews. The results provide the support for our conclusion that our internal quality control system is effective.

Our 2021–22 quality program



100 per cent of engagement leaders (senior staff responsible for the audit) and a selection of partners from our audit service providers are reviewed each year by experienced auditors who are independent from the audit being reviewed.



30 closed file (post-audit) and 17 open file quality reviews were undertaken. We also reviewed 10 of our audit service providers' (ASPs') systems of quality control.



87 per cent of closed file reviews (26 of 30 files) had satisfactory results, with 4 files that did not meet expected quality standards.

In our open file reviews of financial audits, 24 out of 33 targeted performance measures were met by a majority of files.

We assessed that our ASP firms we reviewed have satisfactory systems of quality control in place.



We are working with audit teams to address the causes of any negative findings from our quality program. This includes targeted training at relevant levels, changes in staff levels and numbers, improvements to audit guidance, and sharing quality results with audit teams to address common themes.

Our quality reviews informed us that we need to improve in the following areas:

- assigning appropriate inherent risk ratings to audit assertions
- appropriately testing balances that are based on significant judgements and assumptions
- ensuring we perform tests of controls and tests of detail in accordance with our methodology
- supervising less-experienced staff and reviewing their work in a timely manner.

Our quality frameworks

Our internal systems of quality control were maintained in 2021–22. They underwent refinement as part of the implementation of new Australian quality standards that became mandatory on 15 December 2022.

We have improved training, methodology, and guidance, and will continue to do so. Our audit quality culture is supported by strong leadership and clear frameworks, which align with our values to build skills and capability. While engagement leaders are responsible for quality on their audits, our staff all play a role in ensuring audit quality remains high. Our Quality Management Group, together with our independent members of our Audit and Risk Management Committee and Quality Assurance Sub-Committee, provides support and oversight.

