



STANDING COMMITTEE ON PUBLIC ACCOUNTS

ALISTAIR COE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), ANDREW BRADDOCK MLA

Inquiry into referred 2019–20 Annual and Financial Reports and Budget Estimates 2020-21
ANSWER TO QUESTION ON NOTICE

Asked by Mr Peter Cain MLA on 10 March 2021:

Ref: ACT Audit Office Annual Report 2019-20, B.1.1.2 Independence

In relation to:

As part of keeping the independence of the Audit Office is a “commitment by staff to an independent spirit in the conduct and reporting of audits.” [Annual Report Page 4] According to the Annual Report “This ability is tested at recruitment and re-enforced by ongoing professional development activities supported by the Office’s learning and development program.” [Page 4]

1. Can you outline how this is tested at recruitment?
 - a. Can you provide an outline of professional development activities undertaken to re-enforce the independence of Audit Office employees?
 - b. Can you provide an outline of the process Audit Office employees follow to recuse themselves from an audit if they are in a conflict, or are perceived to be in a conflict of interest?

According to the Annual Report [Page 114] The Audit Office received survey responses from 40 (95 percent) of the 42 reporting agencies surveyed. Two agencies (5 percent) did not provide timely response to the survey.

2. Which two agencies failed to respond?
 - a. Did they eventually respond?

Mr Michael Harris: The answer to the Member’s question is as follows: –

During recruitment, key selection criteria include the requirement for candidates to demonstrate commitment to and understanding of the ACT Audit Office Values, including ‘Independence’. Candidates must also provide a history of previous employer and current employer information and be prepared to discuss any potential or perceived conflicts of interest and how these could be managed.

The Senior Executive Responsible for Business Integrity and Risk (the Assistant Auditor-General Performance Audit) provides an annual reminder to all staff of their responsibility to uphold the Office’s independence. Staff have and can continue to access training arranged by the ACT Government such as managing unconscious bias.

Prior to the commencement of every financial and performance audit, all audit team members must complete a declaration of independence and acknowledgement of ethical requirements that requires



LEGISLATIVE ASSEMBLY
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the employee to acknowledge a professional and legal responsibility to disclose, and take reasonable steps to avoid, any conflicts of interest and perceived conflicts of interest in connection with their employment with the ACT Audit Office, and to declare changes to circumstances should they arise. If an employee makes a declaration, mitigation steps to manage a conflict are considered in detail by the Assistant Auditor-Generals and Auditor-General and actioned accordingly, including the employee be transferred to an alternative audit.

The agencies who did not respond to the Financial Audit Survey were University of Canberra and UCX Ltd. They have not responded to date.

Approved for circulation to the Standing Committee on Public Accounts

Signature:

Date: 23 March 2021

By the ACT Auditor-General, Michael Harris