



Australian Government
Attorney-General's Department

March 2024

Joint Committee of Public Accounts and Audit

**Auditor-General Report No. 9 of 2023-24: Audits of the
Financial Statements of Australian Government Entities for
the Period Ended 30 June 2023**

Attorney-General's Department Submission

Response

The Attorney-General's department (AGD) have been invited by the Joint Committee of Public Accounts and Audit (JCPAA) to make a submission in response to their inquiry into matters contained and associated with [Auditor-General Report No. 9 of 2023-24: Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2023](#).

The JCPAA's media release dated 12 February 2024 states: "this audit provides the Parliament with an independent examination of the Commonwealth's accounts and identifies financial statement risks, issues with governance arrangements, and problems with any internal control frameworks of Commonwealth entities.

In 2022-23, one new moderate (B1) audit finding was issued to AGD in relation to Monitoring of Privileged SAP Access.

The audit did not find any evidence of inappropriate activity or unauthorised access however due to the risks posed by accidental or malicious access the finding was treated as moderate. The finding was common across Commonwealth entities for the year ended 30 June 2023.

AGD have undertaken a number of remediation works including development of policies and procedures, retention of audit logs and review of user activities.

AGD anticipate closure of the audit finding for the 2023-24 Financial Statements audit period.

No other matters within scope of the JCPAA's inquiry were identified.

Background

On 8 February 2024, the JCPAA resolved to conduct an inquiry into any matters contained and associated with [Auditor-General Report No. 9 of 2023-24: Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2023](#).

Under section 8(1) of the legislation establishing the JCPAA, the Public Accounts and Audit Committee Act 1951, one of the duties of the Committee is to 'examine all reports of the Auditor-General (including reports of the results of performance audits) that are tabled in each House of the Parliament' and 'report to both Houses of the Parliament, with any comment it thinks fit, on any items or matters in those reports, or any circumstances connected with them, that the Committee thinks should be drawn to the attention of the Parliament'.

Areas of likely focus for the Committee will include:

- Lack of **governance frameworks** for managing the use of emerging technologies including **Artificial Intelligence, Machine Learning and Robotic Process Automation** and risks arising.
- Role of internal audit** and whether guidance would be beneficial to enhance the Australian Government's system of internal control.
- Weaknesses in consideration of **legal matters** in the preparation of financial statements.

- Appropriateness of Finance’s return-on-investment forecast model and guidance on the **accounting treatment of equity injections** when an investment has elements of social and economic benefits.
- **Information Technology** governance.
- Key areas of **financial statements risk** and **timeliness of financial reporting**.
- 9 Significant and 36 Moderate **audit findings** identified by the Auditor-General.
- **14 legislative breaches** identified, noting the majority relate to incorrect **remuneration payments to executives** and/or non-compliance with decisions of the Remuneration Tribunal.

JCPAA media release dated 12 February 2024: [Audit Committee to scrutinise the Commonwealth Financial Statements – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au/Parliamentary_Business/Committees/Joint/JCPAA/2024-25/audit-committee-to-scrutinise-the-commonwealth-financial-statements)