



Audit Committee to scrutinise the Commonwealth Financial Statements

The Joint Committee of Public Accounts and Audit (JCPAA) has commenced an inquiry into the 2022-23 Commonwealth Financial Statements which are audited each year by the Australian National Audit Office (ANAO).

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.

The Chair of the JCPAA, [Mr Julian Hill MP](#), said that "The traditional focus on legislative breaches and more serious findings will continue. There will also be a focus on thematic issues including governance for Artificial Intelligence and emerging technologies, the role of internal audit functions and how equity injections to an entity are treated in the accounts when an investment has elements of social and economic benefits. It is concerning that most of the legislative breaches identified relate to incorrect remuneration payments to executives."

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.

The inquiry will examine [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 Committee invites submissions to the inquiry addressing the terms of reference to be received by **Friday, 29 March 2024**. Details of the inquiry – including the terms of reference and public hearings – will be made available on the [Committee website](#).

Media inquiries

Mr Julian Hill MP, Chair of the Joint Committee of Public Accounts and Audit on (03) 9791 7770 (Electorate Office) or via Laura Hooper 0422 85 1127.

For background information

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For more information about this Committee, you can visit its [website](#). On the site, you can make a submission to an inquiry, read other submissions, and get details for upcoming public hearings. You can also track the Committee and receive email updates by clicking on the blue 'Track Committee' button in the bottom right-hand corner of the page.