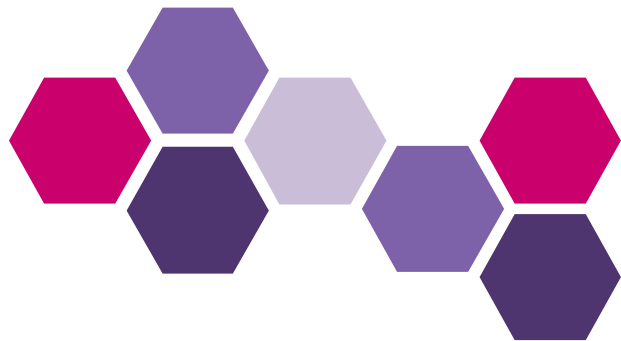


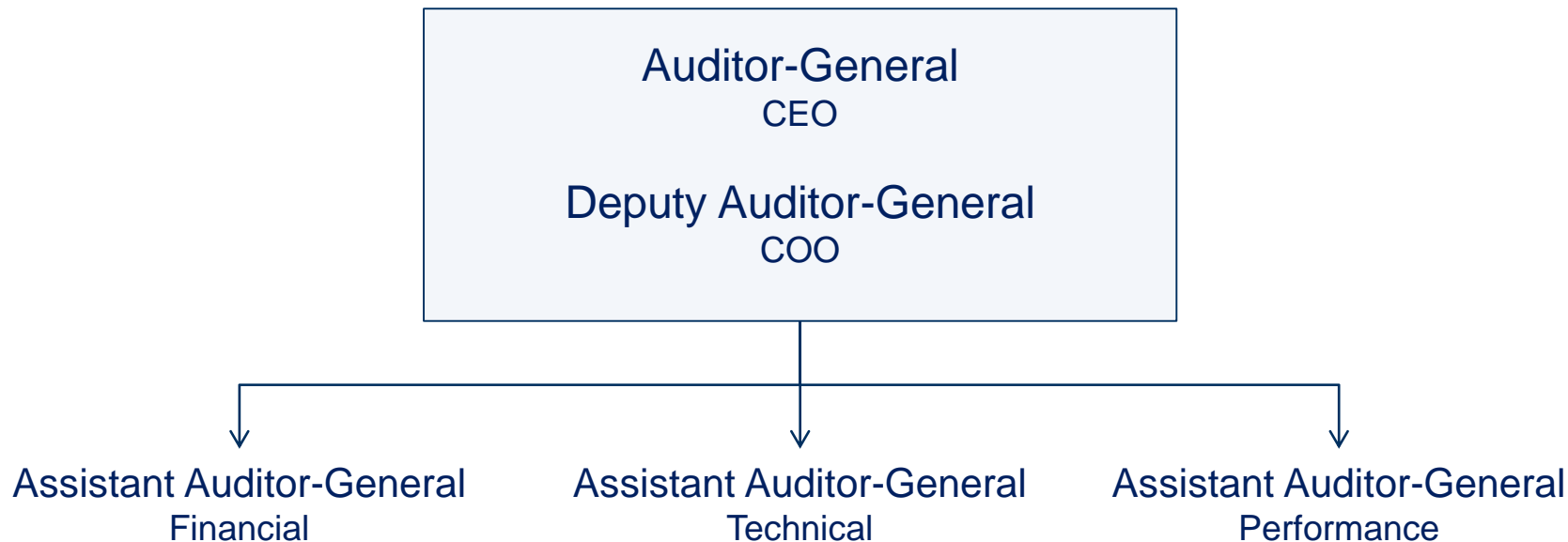
Perspectives from external audit



Andrew Greaves
Victorian Auditor-General

Internal perspective

2



Changing client engagement

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Earlier and more extensive investment in topic selection

- three year performance audit program
- topic synopses with rationale for audit
- wider and deeper engagement

Changing client engagement

Contents



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[Our audit approach](#)



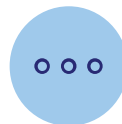
[Risks](#)



[Changes to the
auditor's report](#)



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Refreshed client strategies

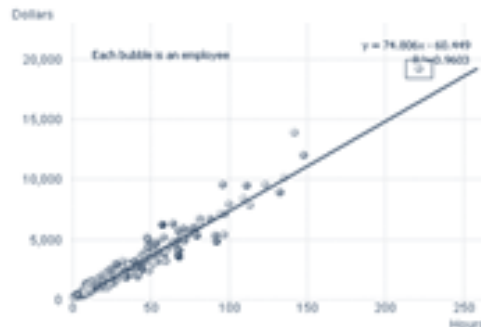
Data driven future

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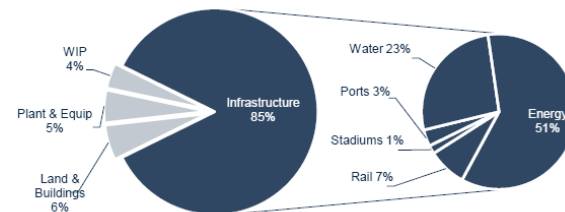
Understand your entity (Audit Planning)



More effective audits (Audit Execution)



Unique insights (Reporting)



Greater use of and reliance on data analytics

External perspective

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Key Audit Themes 2015–16

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Perennials

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- *Infrastructure asset valuation (DRC)*
- *Found assets*
- *Remediation provisions*

Hot issue

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Related party transactions AASB 124

- *identify related parties & transactions*
- *assess materiality for disclosure*

Process check

- *self-declaration and thresholds*
- *'citizen' and other transactions on normal commercial terms*

Simplification

10

“The form in which the information is prepared does not appear to enable the public to easily understand the accounts.”

PAEC

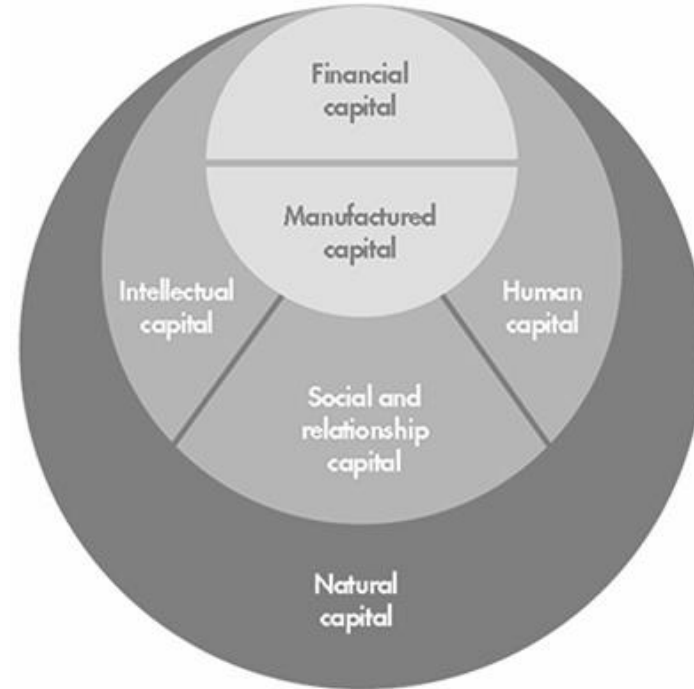
Measuring and reporting performance

11

Financial capital is a function of the other five capitals.

It has no intrinsic value on its own, but rather serves as a mechanism for trade between the other capitals.

Sustainability is the key to success
Andrew Keith, aurecon, © 2015



Annual reports

- ...tendency to privilege information which can be quantified
 - preferably in monetary terms
- focus on short term
- ignore the impact that value creation and depletion of some of the 'capitals' can have on long term success

Integrated Reporting and the Six Capitals: What does it all mean?
Carol Adams, March 2013

Further information

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