

**MEDIA RELEASE**  
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## **Auditor-General's report to Parliament on the effectiveness of internal audit in Government departments**

The Auditor-General, Mr Rod Whitehead has submitted his report to Parliament on the effectiveness of audit committees and internal audit functions for all nine Government departments.

In assessing the composition of audit committees, Mr Whitehead found, "audit committees were not sufficiently independent and as a consequence were not always able to provide the appropriate level of scrutiny and challenge to departmental management." To improve independence, he recommended secretaries ensure audit committees have an independent Chair and a majority of independent members.

The Auditor-General also found that there was a lack of clarity regarding feedback on the performance of committees and the internal audit functions, mainly as a result of the quality of communication between Secretaries and Audit Committee chairs.

Mr Whitehead found training and induction for audit committee chairs and members was limited, impacting on their understanding of their roles and responsibilities. Only one department provided thorough induction and training for both internal and external audit committee members.

On a positive note, all departments' internal audit functions and audit committees were adequately resourced and most were able to access additional funds for unplanned audits. However, Mr Whitehead stated "internal audit work plans were not always aligned with key departmental risks and priorities and could not demonstrate they were focused on the right areas." Mr Whitehead recommended audit committees improve the links between internal audit plans, departmental risks and strategic objectives to ensure coverage of primary risks and drive more significant improvements in departmental outcomes.

In examining the implementation of internal audit recommendations, Mr Whitehead found, "whilst audit committees' monitored and followed up on the progress of audit recommendations, there remained barriers to implementation." These included recommendations that could not be implemented, lack of resources to facilitate implementation and lack of commitment or resistance by managers. Mr Whitehead stated, "poor implementation of recommendations significantly inhibits the effectiveness of the internal audit function in driving improvements within departments."

Mr Whitehead made nine recommendations to assist departments strengthen audit committees and internal audit functions.

The complete Report can be downloaded from [www.audit.tas.gov.au](http://www.audit.tas.gov.au).

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