



24
—
25

Annual Report

AUDITING FOR A BETTER TASMANIA



Audit
Tasmania

Acknowledgement of Country

In recognition of the deep history and culture of Tasmania, we acknowledge and pay respect to Tasmanian Aboriginal people, the past and present custodians of this island. We respect Tasmanian Aboriginal people, their culture and their rights as the first peoples of this land. We recognise and value Aboriginal histories, knowledge and lived experiences and commit to being culturally inclusive and respectful in our working relationships.

© Crown in Right of the State of Tasmania October 2025

This report is available online at:
audit.tas.gov.au/publication-category/annual-report

If you would like further information on this report or other reports of the Tasmanian Auditor-General, please contact us using the details below.

Audit Tasmania

admin@audit.tas.gov.au
GPO Box 851, Hobart 7001
audit.tas.gov.au

Hobart Office
(03) 6173 0900
Level 2, 144 Macquarie Street, Hobart

Launceston Office
4th Floor, Henty House, 1 Civic Square, Launceston

ISBN 978-1-7636906-9-1

Cover image: Mt Roland, Tasmania. Credit: Lusy Productions



Level 2, 144 Macquarie Street,
Hobart, Tasmania 7000

GPO Box 851,
Hobart, Tasmania, 7001

03 6173 0900

admin@audit.tas.gov.au

audit.tas.gov.au

Hon Eric Abetz MP
Treasurer
Parliament House
HOBART TAS 7000

Dear Treasurer

Audit Tasmania – Annual Report 2024-25

In accordance with the requirements of section 36 of the *State Service Act 2000* and sections 42 and 44 of the *Financial Management Act 2016*, I am pleased to submit, for presentation to Parliament, the Annual Report of the Tasmanian Audit Office (Audit Tasmania) for the year ended 30 June 2025.

This report covers the activities of Audit Tasmania for the reporting period 1 July 2024 to 30 June 2025. It provides a summary of our achievements against our strategic plan and performance measures.

It is an important part of our accountability to all Tasmanians, Parliamentarians, the Parliamentary Standing Committee of Public Accounts, client agencies and employees of Audit Tasmania.

The financial statements within this report were prepared in accordance with Australian Accounting Standards, the Treasurer's Instructions and other authoritative requirements.

Yours sincerely

A handwritten signature in black ink, appearing to read "Martin Thompson".

Martin Thompson
Auditor-General



Contents

Message from the Auditor-General	5
Our year in brief	6
Our role	7
Our strategic focus	16
Our team	19
Performance report	23
Income and expenditure summary	32
Financial report	34
Acronyms and abbreviations	74
Appendix 1 - Presentations and speeches	75
Appendix 2 - Right to information, privacy and public interest disclosures	76
Appendix 3 - Risk management and asset management	78
Appendix 4 - Government procurement and pricing policies	80
Appendix 5 - Superannuation declaration	82



Message from the Auditor-General

The primary focus of my first full year in this role has been the development of a new Strategic Plan.

Above all, I wanted to ensure that we are auditing the topics most important to Tasmanians. This meant a robust engagement process across Parliament, the public sector and other stakeholders.

I have introduced four pillars to classify my audit coverage. These will create a clear link to the priorities of Tasmanians in each piece of work the Office undertakes.

We have faced more than our share of challenges this year. Our performance audit program saw reductions in budget, while data analytics capability funding is coming to an end. This at a time when funding for performance audits was already lower than those in similar jurisdictions.

Simply put, the coverage that the Office can provide does not align with the needs of a State with the size and complexity of Tasmania.

Because of these reductions, one proposed audit was removed from the 2025-26 program. Two more were removed from 2026-27. While these audits remain in my plan, they have been greyed out to transparently demonstrate the impacts of reduced funding.



To meet the new sustainability (climate) reporting requirements beginning this year, I am required to build sustainability assurance capabilities. Following the Office's Strategic Plan 2025-2028, I will continue to invest in the methodology, tools and capability to deliver a high quality and timely audit program.

At the direction of the Treasurer, my Office is contributing to a review of the *The Audit Act 2008*. We aim to align our legislation with contemporary best practice. This will be informed by the International Organisation of Supreme Audit Institutions Independence Principles, as well as the benchmarking work undertaken by the Australasian Council of Auditors-General.

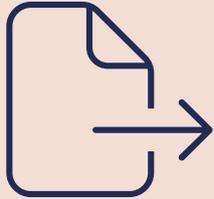
I look forward to the legislative process resulting in an enhanced statutory model for independent assurance, integrity and transparency here in Tasmania.

In closing, I would like to thank the dedicated team at Audit Tasmania. I am proud of their integrity and professionalism, and I am confident that we will continue to strengthen accountability in our State.

Martin Thompson
Auditor-General



Our year in brief



9 reports delivered to parliament

Auditor-General’s report in three volumes

on the outcomes of financial audits, with **221** new findings and recommendations

Seven reports

on the outcomes of performance audits, investigations, compliance audits and follow up audits.

One annual report

for Audit Tasmania for 2023-2024

Three auditee information sessions delivered

on contemporary governance, sustainability reporting, performance audits and financial reporting topics to all interested agency, government business and local government representatives.

Two senior management and members of audit committee seminars delivered

in Hobart and Devonport, where for the first time we included a session to establish a Community of Practice for external members of audit committees.

Continued work on our four-year project to integrate data analytics into our audit activities

setting Audit Tasmania on a path to greater efficiencies and effectiveness in our audit approach.

Two Internal audit reviews commenced

to inform improvements to our systems and processes, with opportunities identified for our quality assurance framework and procurement processes.



Auditor-General’s Annual Plan 2025-26 presented within statutory timeframes

to the Parliamentary Standing Committee of Public Accounts and delivered to the President of the Legislative Council and the Speaker of the House of Assembly.

Staff briefed Members of Parliament on all tabled reports

and gave evidence at **eight** Parliamentary committees.

Entered into an updated Statement of Understanding

with the Public Accounts Committee.

Received an unmodified audit opinion on our 30 June 2025 financial statements

within the required timeframe, and received an unmodified review opinion on our key performance indicators.



Overwhelmingly positive overall results

from the 2024 State Service Employee Survey of our staff

87.3%
response rate

75.0%
engagement rate

Positive overall results

from our Internal Audit Survey

55.7%
response rate

Our role

The office of Auditor-General and the Tasmanian Audit Office (Audit Tasmania) are established under the *Audit Act 2008* (Audit Act) and *State Service Act 2000* (State Service Act).

Audit Tasmania provides independent assurance to the Parliament and community on the performance and accountability of the Tasmanian Public Sector.

We do this by reviewing financial statements of State entities and by conducting audits, examinations and investigations. We then make recommendations to boost accountability, transparency and performance.

Audits allow us to:

- Identify important issues and make recommendations on improving services
- Provide useful insights for members of parliament, the public and agencies we audit
- Help agencies function more economically, efficiently and effectively

The Auditor-General publishes an Annual Plan, which outlines what we will audit or examine in the coming years. It also details the reports we expect to table in Parliament. You can read more about our role and our Auditor-General's Annual Plan for 2025-26 on our website at audit.tas.gov.au.

Financial audits

Each year we audit more than **120** State entity financial statements and complete more than **80** other audits.

Our audits help ensure that the information in State entity financial statements is:

- Reliable, relevant and presented fairly
- In accordance with standards and legislation

The results of our audits are published in the Auditor-General's Report on the Financial Statements of State Entities.

Some audits are carried out by arrangement, including regulatory financial statements and grant or funding acquittals. We produce model financial statements for local government, helping councils meet statutory financial reporting obligations.



Performance audits

Performance audits provide Parliament with assurance on the economy, efficiency, effectiveness and compliance of government entities and programs. We also help public sector managers by identifying better administrative and management practices. 'Follow-the-dollar' powers allow us to audit community-sector and for-profit organisations that have been contracted to provide government services.

During 2024-25, we completed **seven** performance audits. The audit reports are summarised below and available in full from the Performance Audit Reports section of our [website](#).



Alignment of the duration of custodial stays at Ashley Youth Detention Centre with related sentencing order

We looked at whether the length of custodial stays at Ashley Youth Detention Centre (AYDC) are compliant with sentencing orders.

Examining the length of custodial stays from 2014-2023, we assessed processes, roles, responsibilities, systems and record keeping.

The audit found custodial stays at Ashley aligned with sentencing orders. However, in some instances, inconsistent record keeping had been identified. There was also an over reliance on manual data entry caused by limitations in systems that were scheduled for replacement. We made five recommendations to improve controls around guidance, record-keeping, monitoring and reporting of custodial stays.



Tasmanian Community Fund (TCF) referendum support and assessment of grant funding to Australians for Indigenous Constitutional Recognition Ltd

We examined the processes and considerations that led to TCF's decision to publicly support a 'yes' vote in the Voice Referendum. Our review also looked at TCF's processes for assessing the AICR grant.

Covering events between 4 December 2022 and 2 February 2024, our review did not examine the TCF's general grant administration processes. However, we did look at how the grants administration framework and other policies were applied to the AICR grant.

We found that TCF's:

- Processes and considerations leading to its decision to support the yes vote in the Voice referendum were inadequate
- Assessment of the AICR grant was not conducted in accordance with an established and documented grants management framework

We made four recommendations to improve TCF's documentation, grants management, guidance and records management.



Follow up of University of Tasmania’s management of student accommodation

The objective of the follow up audit is to express an opinion on the degree to which entities implemented recommendations made in the previous report. It also assesses whether implementing the recommendations improved performance or compliance.

Overall, we found that improvements made by the University included improved student engagement on satisfaction with student accommodation.



Follow up of Effectiveness of Internal Audit

The objective of the follow up audit is to express an opinion on the degree to which entities implemented recommendations made in the previous report. It also assesses whether implementing the recommendations improved performance or compliance.

Overall, we found that implementation of the original report resulted in a greater challenge to departmental management, with an increase in independent members on most audit committees.



Follow up of Management of Underperformance in the Tasmanian State Service

The objective of the follow up audit is to express an opinion on the degree to which entities implemented recommendations made in the previous report. It also assesses whether implementing the recommendations improved performance or compliance.

Overall, we found that a positive outcome of the original report was development of internal training programs and resources to improve manager capability when dealing with underperformance.



The Gardens, Bay of Fires Conservation Area
Credit: Emilie Ristevski



Department of Health funding of community service organisations

Community service organisations (CSOs) are a key part of the Tasmanian health system, receiving around \$75 million from Health each year.

We looked at Health's processes for managing CSO funding arrangements, as well as 16 individual arrangements from 2022-23.

We concluded that Health's management of funding arrangements with community service organisations was not effective.

Our findings related to:

- > Ineffective funding frameworks, including procurement, contract management, grants, and quality and safety frameworks
- > Ineffective agreements with lack of link to government policy, risk management, value for money assessment, and accreditation / standards requirements
- > Ineffective performance monitoring, missing risk-based site visits, mid-term reviews, independent audits, post-implementation reviews and complaints processes

We have made recommendations to improve Health's approach to managing CSO funding, while also addressing known issues with its processes.



Effectiveness of shared services arrangements in the General Government Sector

Shared services are when a larger government entity provides services for a smaller one. These services include payroll, finance and ICT, as well as fleet and property management.

We chose three shared services arrangements, assessing whether their design and delivery was effective, efficient and economical.

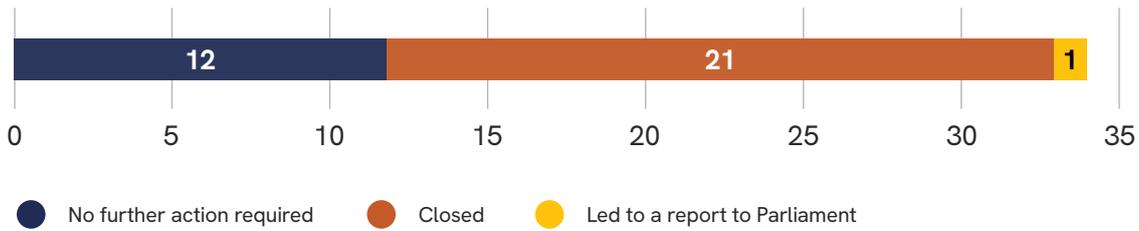
We concluded that shared services arrangements were, in part, effectively designed and delivered. Our findings related to:

- > Inadequate planning for shared service arrangements because of the speed at which Machinery of Government (MOG) changes need to be implemented
- > Inadequate assessments to support decisions to renew arrangements
- > Documented agreements missing key elements that could reasonably be expected in a contemporary Service Level Agreement (SLA)
- > Performance assessment of shared service arrangements lacking formality and appropriate performance measures.



Referrals

From time-to-time, Members of Parliament, accountable authorities of State entities, elected officials or members of the Tasmanian community refer matters to us for performance audit or investigation consideration.



We received a total of **34** referrals in 2024-25, down from the 38 received in 2023-24. Of these, **12** were assessed as requiring no further action, **21** were reviewed with the matter closed and **one** has resulted in an investigation included in the Annual Plan for 2025-26, with the report planned to be tabled in quarter 1 of 2025-26.





Services to Parliament and State entities

We provide services to Parliament and State entities to increase accountability and performance, while promoting better practice in the public sector.

These services include:

- Presenting audit findings and recommendations to Members of Parliament
- Meeting with the Parliamentary Standing Committee of Public Accounts to brief them on our audit plans and reports
- Advice and assistance to Parliament and making submissions to parliamentary committees
- Briefings to Legislative Council Business Scrutiny Committees
- Advice to Members of Parliament on the role of the Auditor-General
- Responding to inquiries from Members of Parliament, State entities and the public
- Presenting to parliamentary delegates from other jurisdictions on the role of the Auditor-General
- Comments to Tasmanian Government agencies and other State entities on matters like draft Treasurer's Instructions, financial management proposals and accountability proposals
- Guidance to State entities from our audit work in specific areas of governance, management and accountability



*Mt Geryon & Perrins Bluff
Credit: Luke Tscharke*

Risk and Audit Committee

The Office has a Risk and Audit Committee in accordance with the Treasurer's Instruction FC-2 Internal Audit. During 2024-25:

- Independent chair: Elizabeth Lovett
- Independent member: Margaret Archer
- Auditor-General: Martin Thompson Martin Thompson (ex officio)

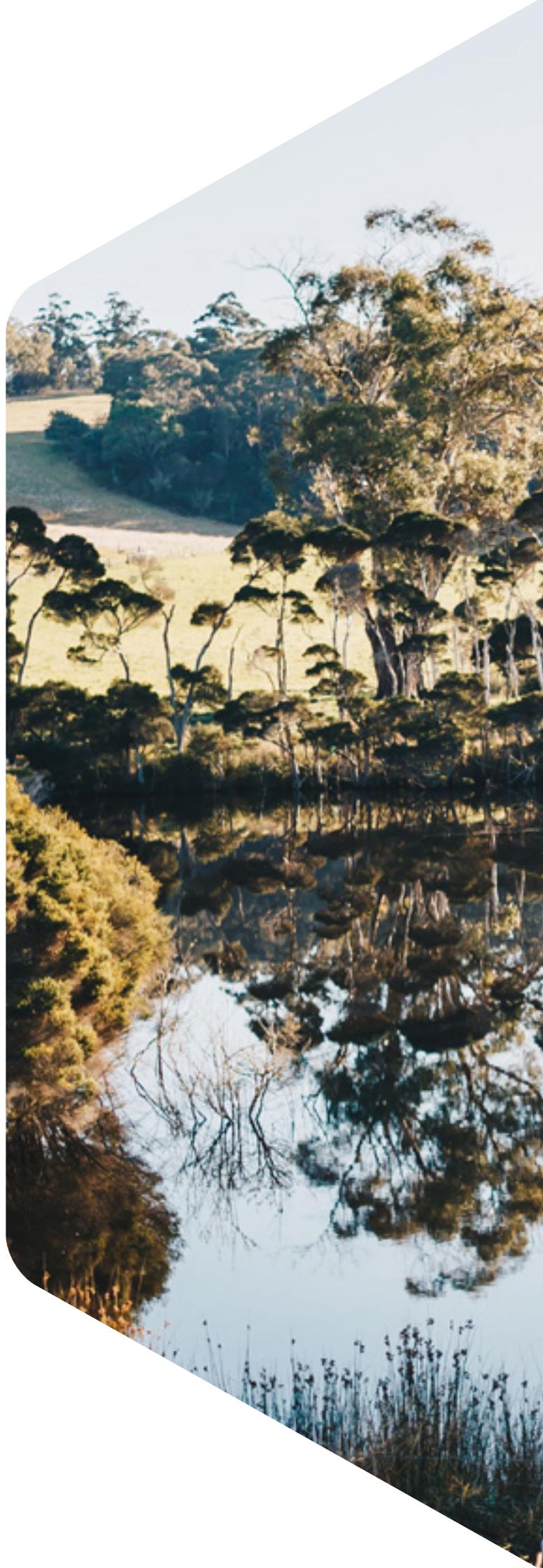
The Committee helps the Auditor-General fulfil corporate governance responsibilities that relate to our financial and performance reporting.

This includes:

- The preparation of the annual report and audit of the financial statements.
- System of risk oversight and management.
- System of internal control, including internal control framework, legislative and policy compliance, internal audit coverage and performance reporting

The Committee monitors the activities and effectiveness of internal audits, management responses to external reviews and the implementation of recommendations. In reviewing the Committee, an appointed member of staff was removed to avoid any perceived conflicts, as all staff members report through to the Auditor-General.

*Martha Vale Park
Credit: Jasper Da Seymour*





Internal audit

Our internal auditor, HLB Mann Judd, assesses the quality and performance of specific functions performed by the Office. The Risk and Audit Committee, along with the internal auditor, develops the internal audit plan before the beginning of each financial year. HLB Mann Judd replaced Grant Thornton in October 2024.

During 2024-25, HLB Mann Judd undertook two internal audit reviews.



Gap Analysis Exercise of HR Management Framework (specific focus on Recruitment, Selection, Appointment, Onboarding & Wellbeing / Psychosocial) incl. Awareness Survey – Finalised July 2025

This review assessed the management of HR and wellbeing related activities within Audit Tasmania. We also conducted a gap analysis to identify any potential risks or opportunities to improve our practices.

The review made eight recommendations to ensure that all HR-related Policies are reviewed in a timely manner. These are included in the Policy and Procedure Review project. This will allow all Policies to point to the latest appropriate legislation.



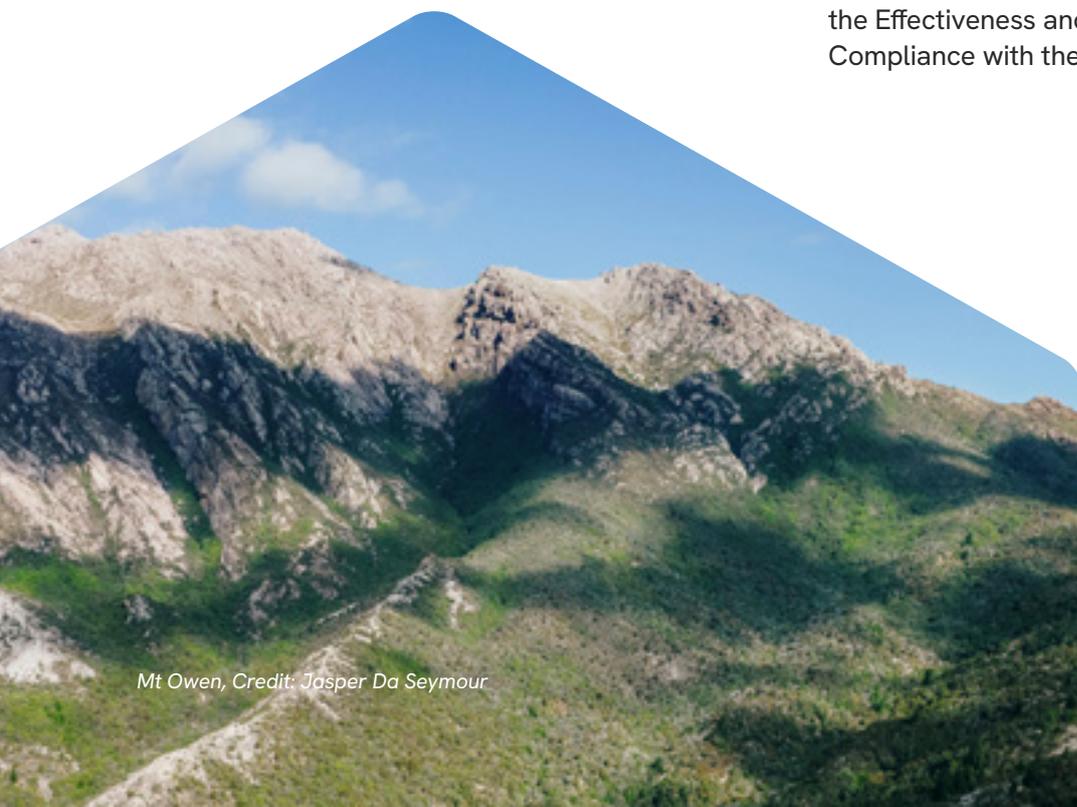
Review of Information / Records Management (incl. High-level Assessment of Data Security) – Finalised July 2025

This internal audit assessed the design adequacy and effectiveness of internal controls embedded in Audit Tasmania’s information and records management practices (including data security). It also identified potential risks and opportunities to improve related practices.

The review made 17 recommendations, including:

- A review of all Information and Records management related policies and procedures
- Undertaking a records disposal exercise
- Enhancing training on information security classification and data handling

Future Internal Audit topics in 2025-26 include the Effectiveness and utilisation of CaseWare and Compliance with the Treasurer’s Instructions.



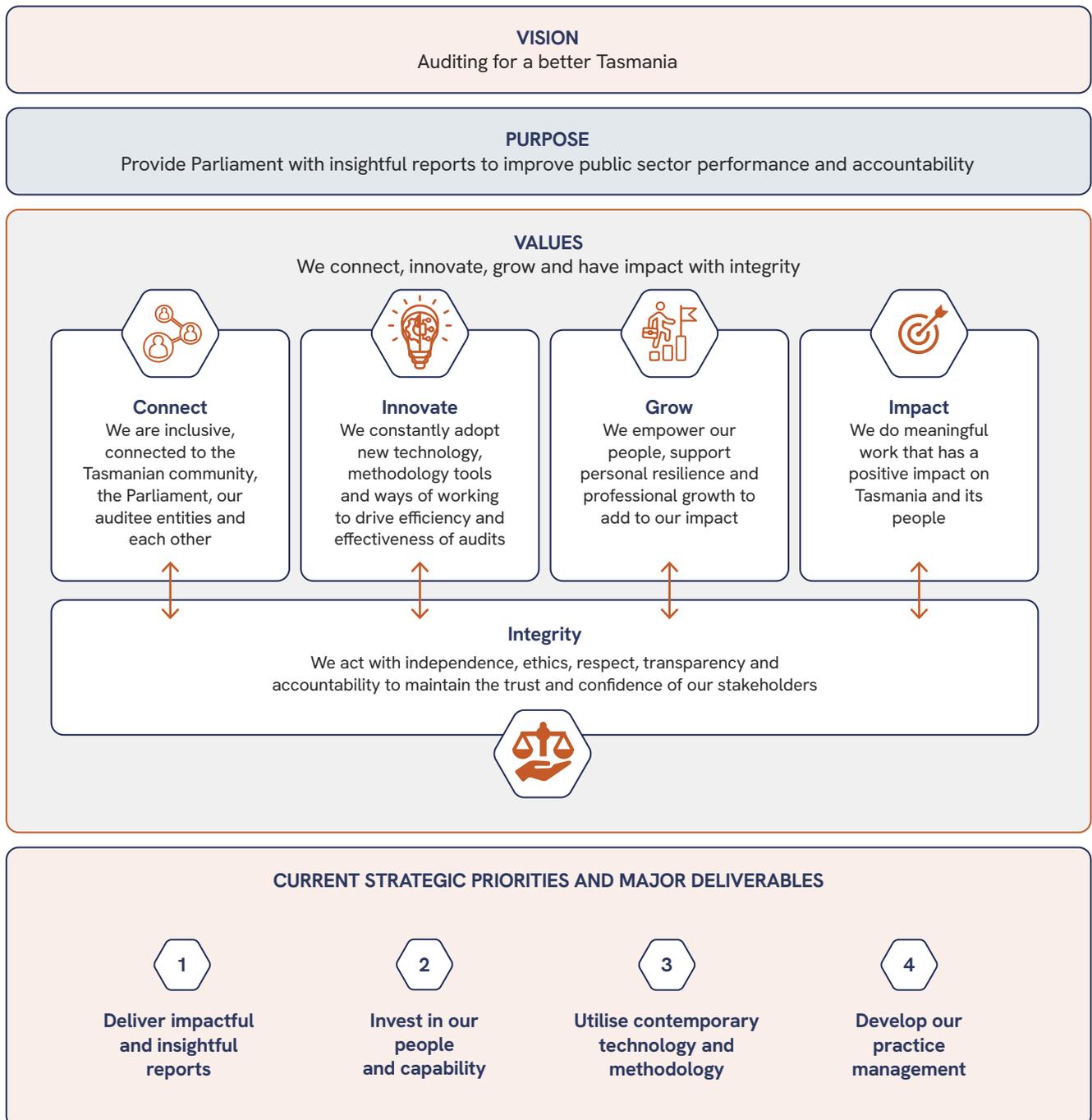
Mt Owen, Credit: Jasper Da Seymour



Our strategic focus

On 30 June 2025, we launched our new Strategic Plan for 2025-2028. This was the outcome of extensive stakeholder consultation across Parliament, the many organisations we audit and our own people.

We considered feedback carefully and reflected deeply on what we do, why it matters and how our work can create greater impact for Tasmanians.





From 1 July 2025, we changed our name to Audit Tasmania, as a clear and concise expression of what we do. The Tasmanian Audit Office remains our legislative name.

1. Why do we have a Strategic Plan?

Creating a Strategic Plan (2025-2028) lets us think about what we do, why it matters and how we deliver value to Tasmanians. It helps shape our work priorities using the “big picture” of what we are trying to achieve. It covers a three-year cycle and will be used every year when planning our priorities. Performance measures help keep us accountable, transparent and improving.

2. Why are we changing our name to Audit Tasmania?

The work that was undertaken to create the Strategic Plan was detailed and far reaching. Launching the Plan has given us the opportunity to think about how we should represent ourselves. Our new name articulates clearly, simply and actively what we do. A refresh of our visual identity enables us to communicate our connectedness to Tasmania.

3. Will this change cost a lot of money?

To save on costs, we have used in-house resources. We will be implementing a gradual update of our name and identity, and we invite everyone to adopt the new name from 1 July. If you see that our name needs updating somewhere, please let us know.

4. What does the Strategic Plan cover and how is it structured?

The Strategic Plan covers our Vision: What we are trying to achieve through the work we do. It articulates our Purpose: The reason we exist and why that matters. The plan also covers our Values: how we behave and what our motivations are. Our current strategic Priorities and Major Deliverables detail the work we do to deliver to our Purpose and Vision. The Performance Measures express how we are accountable and transparent to stakeholders.

5. What is the vision for Audit Tasmania?

To audit for a better Tasmania. Our financial audits enhance transparency and accountability, which increase the trust and confidence of Tasmanians and all those who do business with Government entities. Our performance audits provide assurance over compliance, efficiency, effectiveness and economy of Government programs and services.

6. What is the purpose of Audit Tasmania?

To provide Parliament with insightful reports to improve public sector performance and accountability.

7. What are the values of Audit Tasmania?

To connect, innovate, grow and have impact with integrity. We will be having a “value of the month” over the coming year, where we focus on and develop the behaviours that put these values into action.



8. What are the current priorities?

Our current priorities are:

1. Deliver impactful and insightful reports
2. Invest in our people and capability
3. Utilise contemporary technology and methodology
4. Develop our practice management

Each strategic priority has between four and six major deliverables. The focus of our work for 2025-26, these priorities came from our staff conference in December last year, as well as engagement with stakeholders. We will review progress in November 2025 and update this list as required.

9. Where did the performance measures come from?

Many of the performance measures were already in place through the ACAG benchmarking. These were reported internally at the Executive Committee or Risk and Audit Committee level or externally in the published Budget Papers and Annual Report. Other measures, such as the use of contemporary audit tools, are new. We are developing the definitions and systems needed to report progress in these areas.

10. How is the Strategic Plan different from the Auditor-General's Annual Plan 2025-2026?

The Auditor-General's Annual Plan is a statement of intent made to Parliament. The document outlines the financial and performance audit program for the 2025-26 year, while also providing a glance ahead to the following year.

The Strategic Plan outlines how we'll implement the Annual Plan, while efficiently and effectively delivering our audits.

Business Unit Plans

Financial Audit Services

Of the 22 items on the Business Unit Plan:

- > 15 completed in full
- > One no longer applicable
- > Three not achieved
- > Three transferred to other business units

Performance Audit Services

Of the seven items on the Business Unit Plan:

- > Seven completed in full

Corporate Support and Strategy

Of the nine items on the Business Unit Plan:

- > Five activities completed in full
- > Four not achieved

The items not achieved were either moved to the Business Unit Plan for 2025-26 due to resourcing challenges internally or the requirement to utilise external resources.



Our team

Staff Profile

Measure	2021-22	2022-23	2023-24	2024-25
Size of the workforce at 30 June (full-time equivalent)	47.4	57.1	56.1	51.8
Size of the workforce at 1 July (head count)	46	48	60	59
Staff on secondment or leave without pay at 1 July	5	3	1	1
Staff commencing during the year	20	34	11	16
Staff who left during the year	(20)	(24)	(11)	(20)
Staff on secondment or leave without pay at 30 June	(3)	(1)	(2)	(2)
Size of the workforce at 30 June (head count)	48	60	59	56
Permanent part-time staff at 30 June	8	7	2	10
Fixed-term part-time staff at 30 June	4	1	0	3
Fixed-term staff at 30 June	10	4	3	4
Average age of workforce at 30 June	42	39	40	35.5

Employee culture and engagement

Here is how we grew our culture and engaged our team throughout the year:

- 1:1 with the Auditor-General form
- Various internal audits
- Creating values from staff input sessions
- New values and strategic plan rollout
- Survey for new values
- Engagement through various cultural and calendar events



Diversity, equity and inclusion

We are proud of the cultural diversity within our workforce and the perspectives it brings to our organisation. The varied backgrounds and experiences of our people foster innovation, strengthen inclusion, and enrich the way we serve our community. Our diverse teams contribute to stronger collaboration and the development of employee networks that build capability and shared understanding.

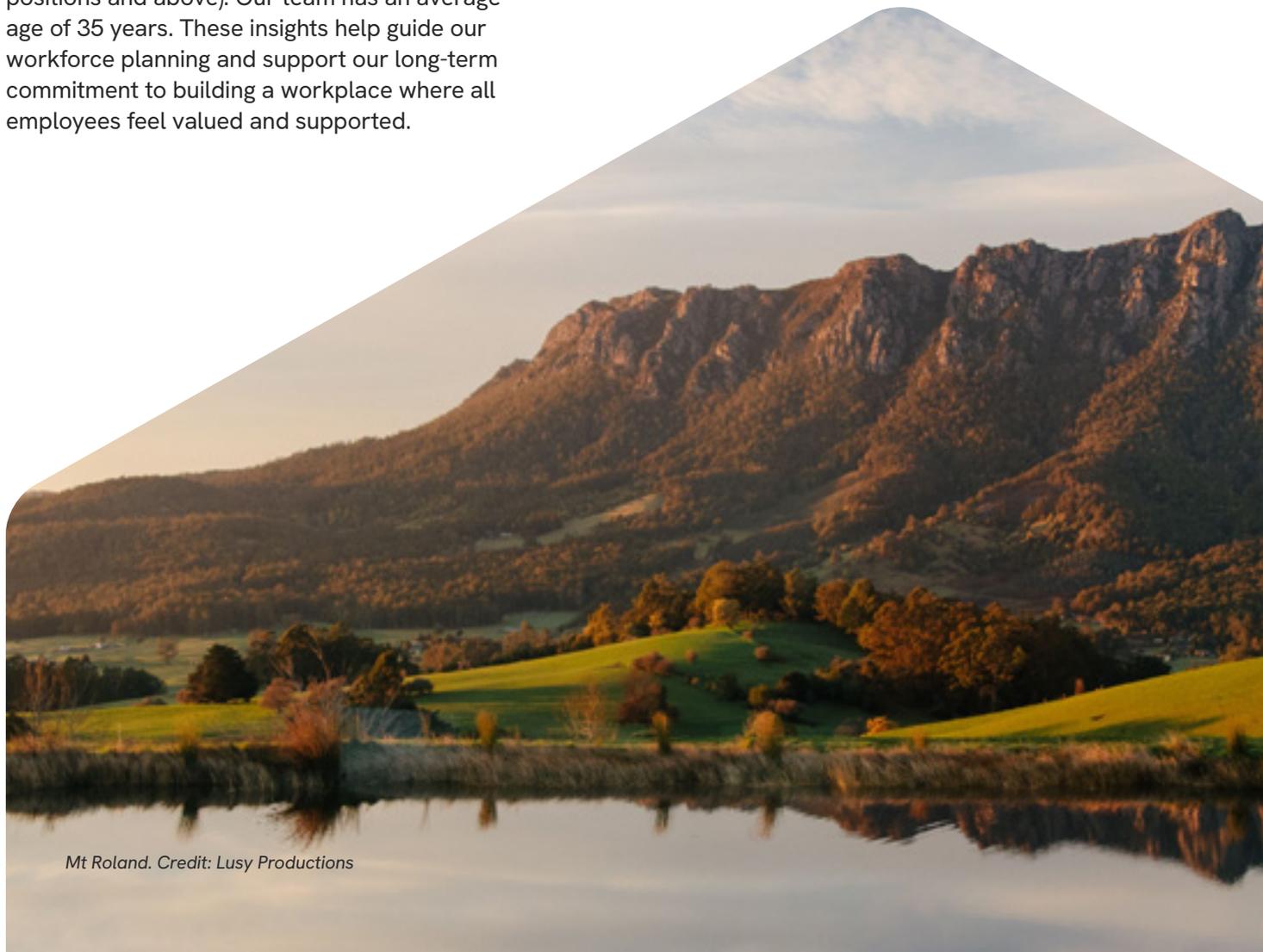
This year, we have begun laying the foundation for more consistent measurement of workforce diversity. We look forward to expanding our reporting in future years.

In the meantime, we continue to track gender and age representation across our workforce, with women representing 41.1% of employees overall and 50.0% of leadership roles (Director-level positions and above). Our team has an average age of 35 years. These insights help guide our workforce planning and support our long-term commitment to building a workplace where all employees feel valued and supported.

Team performance

We have found opportunities to reflect on our performance, align on expectations and set meaningful goals for professional growth. This includes:

- Providing additional training and development opportunities.
- Alignment of Business unit and individual performance plans.
- Supporting our staff during the end of the year audit cycle through modified flex agreements.
- Realigning the individual performance planning process to the annual audit cycle instead of the financial year.



Mt Roland. Credit: Lusy Productions



Learning and development framework

Buddy program

Our multi-year learning and development program supports career progression through:

- > Personalised coaching from an experienced staff member for guidance and support.
- > Formal training sessions combined with on-the-job learning.
- > Support to become a member of a professional accountancy body (e.g. CPA Australia or CA ANZ).
- > Generous contributions toward course fees for approved career-related study.
- > Provision of study leave to help balance work and education commitments.
- > Opportunities to build professional networks within and beyond the Office.

Professional qualifications

This table captures our investment in staff training, development and coaching over the period:

Measure	2021-22	2022-23	2023-24	2024-25
Average days per FTE - all types of professional development	17.0	22.3	21.0	10.4
Average investment per FTE - training through external providers	\$1,656	\$1,646	\$3,309	\$2,418

The reduction in average days per FTE relates to staff turnover and new appointments occurring at or after year end.



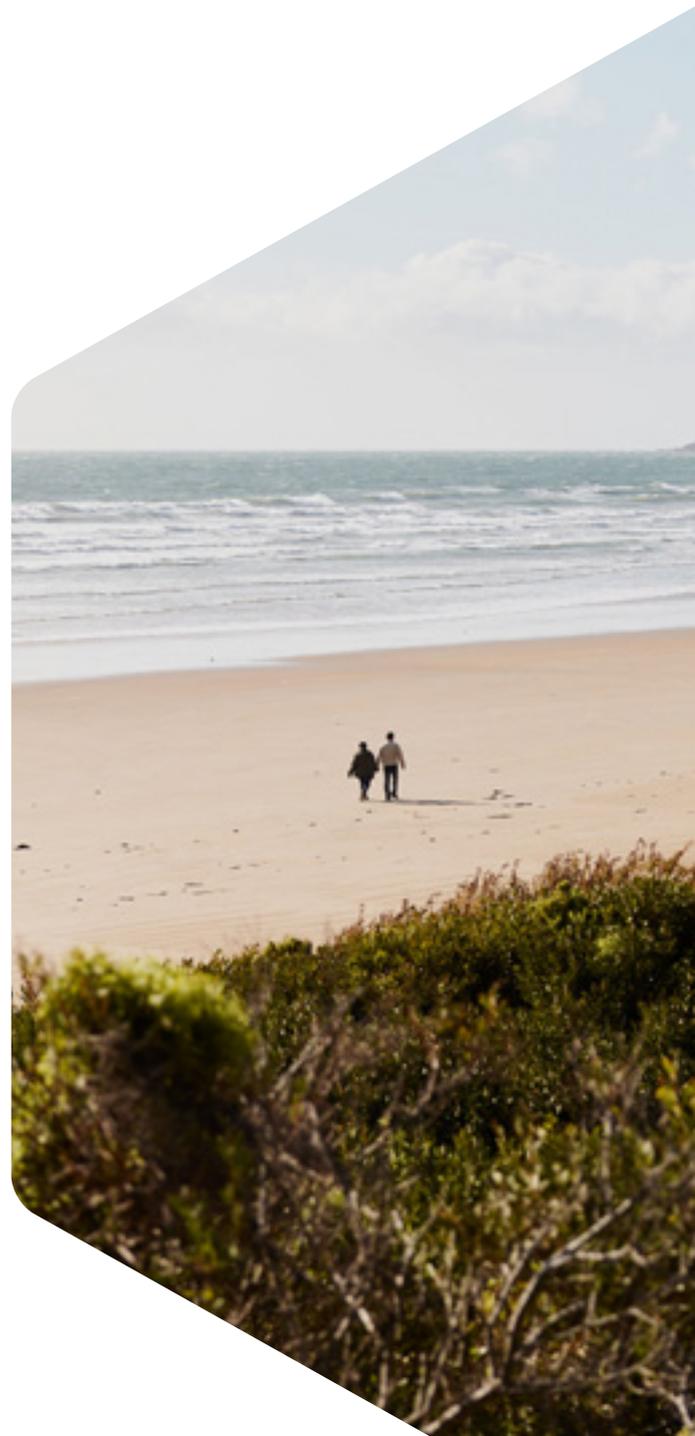
Workplace health, safety and wellbeing

Measure	2021-22	2022-23	2023-24	2024-25
Average sick leave days taken during the year per staff member	7.5	8.0	7.8	7.1
Staff with more than 40 days accrued recreation leave at 30 June	2	2	0	0
Staff with more than 100 days accrued long service leave at 30 June	0	0	0	0

Work Health and Safety

Here’s how we’ve kept our people thriving, healthy and safe:

- Developing and implementing travel safety guidelines and risk assessments
- Creating workload management plans and providing flexible resourcing
- Establishing contingency plans and cross training to ensure continuity
- Fostering a culture where employees feel supported and able to speak openly
- Encouraging appropriate rest and recovery to promote wellbeing
- Creating a positive and collaborative work environment
- Working with auditees to ensure our employees have a safe work environment when working at other sites
- Providing equipment, guidance and training to assist our people to set up their workstations ergonomically wherever they are working



Bakers Beach, Narawntapu National Park
Credit: Samuel Shelley



Performance report

Our key performance indicators (KPIs) were independently assessed by Newton & Henry, with their review opinion published at the end of this section. The tables below detail our actual results with the following symbols indicating the assessment of each result.

✓ Performance achieved ✗ Performance not achieved Nm - Performance not measured

Parliamentarian and audit client survey indicators

The KPIs in the below table are from Parliamentarian and audit client surveys relating to the Office's key strategic focus areas of impact, quality and efficiency.

The biennial satisfaction survey of Members of Parliament and auditees was not conducted in 2024-25.

Key Performance Indicators	2021-22 actual	2022-23 actual	2023-24 actual	2024-25 actual
Overall satisfaction with the Auditor-General's reports and services	100%	Nm	86%	Nm
Provide valuable information on public sector performance	100%	Nm	100%	Nm
Reports and services help to improve public sector administration	100%	Nm	95%	Nm
Responsiveness of the Auditor-General or their office	100%	Nm	100%	Nm
Extent to which the advice/information provided by the Auditor-General or their office addressed user needs	100%	Nm	90%	Nm
Performance audit - overall performance (process, reporting, value)	72%	Nm	73%	Nm
Financial audit - overall performance (process, reporting, value)	74%	Nm	75%	Nm



Financial indicators

The KPIs in the below table relate to our Financial Statements for 2024-25, which are presented later in this report.

Key Performance Indicators	2021-22 actual	2022-23 actual	2023-24 actual	2024-25 actual
Positive net operating result, that is \geq 1% of turnover ¹	✓	✓	X	X
Positive cash flows	✓	X	X	✓
End of year cash balance $>$ \$600,000	✓	✓	✓	✓
Independent unmodified audit opinion on the financial statements of the Office	✓	✓	✓	✓
Extent to which the advice/information provided by the Auditor-General or their office addressed user needs	100%	Nm	90%	Nm
Performance audit – overall performance (process, reporting, value)	72%	Nm	73%	Nm
Financial audit – overall performance (process, reporting, value)	74%	Nm	75%	Nm

Notes

1. Whilst a deficit was recorded in 2024-25, this was lower than that recorded for 2023-24, this being the result of various reviews completed and implemented relating to improvements in methodology along with reviews of the fees charged to our auditees.



Operational and governance indicators

The KPIs in the following table are in relation to the 'Our role' section of this report above:

Key Performance Indicators	2021-22 actual	2022-23 actual	2023-24 actual	2024-25 target	2024-25 actual	Result
All financial audit opinions to be issued within 45 days of receipt of final signed financial statements (audits completed within the financial reporting year) ¹	58%	66%	77% ²	100%	75% ²	✗
Performance and compliance audits are completed on average within 10 months ¹	9.0	11.7	10.3 ²	10	8.6	✓
Performance and compliance audits and special investigations tabled in Parliament	5	3	4 ²	6	7	✓
Report of the Auditor-General on the outcomes of financial audits tabled in Parliament	1	1	1	1	1	✓

Annual independent assessment of a selection of audit files that concludes the Office is conducting audits in accordance with its audit methodology and Australian Auditing Standards⁴

Financial audits	Positive	Positive	Positive	Positive	Positive	✓
Performance audits	Nm	Positive	Positive	Positive	Positive	✓
Number of major findings with significant impact/ramifications (risk rating = high) reported to the Office's Risk and Audit Committee by the internal auditor	None	None	None	None	None	✓

Notes

1. The basis for reporting timeliness of audit completion is the audit cycle completed during the financial year (for example, the December 2023/June 2024 audit cycle was completed in the 2024-25 financial year).
2. Measure reported as 'Achieved/Not achieved' in previous Annual Reports is now reported as months.



People indicators

The KPIs in the following table are in relation to the 'Our team' section of this report above:

Key Performance Indicators	2021-22 actual	2022-23 actual	2023-24 actual	2024-25 target	2024-25 actual
Positive staff responses on workplace behaviours and conditions as measured by our independent employee survey ¹	Nm	84%	81%	>= 70%	82%
Positive staff responses on workplace diversity as measured by our independent employee survey ¹	Nm	83%	84%	>= 70%	Nm
Positive staff responses on engagement as measured by our independent employee survey ¹	Nm	80%	75%	>= 70%	88%
Staff turnover rate	42%	42%	19%	< 10%	36%
Percentage of staff who have University degrees and/or professional qualifications	96%	98%	97%	> 85%	96%
Percentage of staff who are members of professional bodies ²	81% ³	67%	63%	> 85%	86%
Percentage of staff who undertake 10 days of professional development per annum ⁴	46%	72%	64%	100%	49%
Percentage of staff performance and development plans finalised	98%	98%	100%	100%	100%
Personal leave taken by staff (average)	7.5	8.0	7.8	7.1	7.1
Excess leave balances	6%	3%	0%	0%	0% ⁶

Notes

1. These measures were introduced in 2022-23 to replace the previous 'Satisfaction' index, following a gap in the Survey due to the pandemic. Actual results since 2019-20 for the relevant indices are presented in the above table. As the Survey was not conducted in 2024-25, the results for this year are based on an internally administered survey using the same questions to maintain continuity and benchmarks.
2. Percentage of staff who are full (not associate) members of professional bodies.
3. This measure was incorrectly reported in the 2021-22 Annual Report as 82%. The correct figure independently assessed by Nexia Melbourne Audit Pty Ltd for 2021-22 was 81%.
4. Includes all types of training conducted within the Office and includes all staff employed throughout the year. Adjusted for staff working only part of a year and for fractional staff. The decrease reflects a number of staff commencing close to the end of the financial year.
5. This measure was incorrectly reported in the 2021-22 Annual Report as 7 days. The correct figure independently assessed by Nexia Melbourne Audit Pty Ltd for 2021-22 was 7.5 days.
6. Excess leave balances are measured as employees holding 40 days or more of recreational leave. In 2024-25, this averaged 0% against a target of 0%.



Benchmarking measures

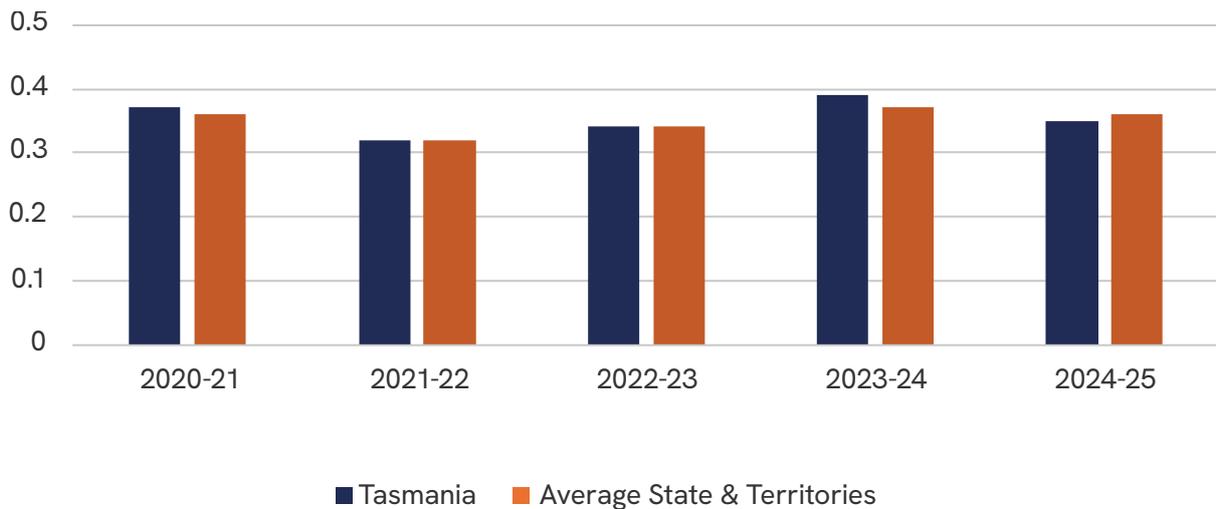
Audit Tasmania is a member of the Australian Council of Auditors-General (ACAG). Along with other ACAG audit offices in Australia, we participate in an annual macro-benchmarking survey.

We evaluate our performance on seven benchmarked measures against the national average of other State and Territory audit offices (excluding the Northern Territory).

The results presented in this section cover the periods 2020-21 and 2024-25.

For Measures 1 and 2, we expect our costs as a proportion of total State transactions and assets to be higher than most other States. Typically, State entities in Tasmania are smaller than their interstate counterparts.

Measure 1: Total audit costs (excluding payroll costs) per \$'000 of public sector transactions

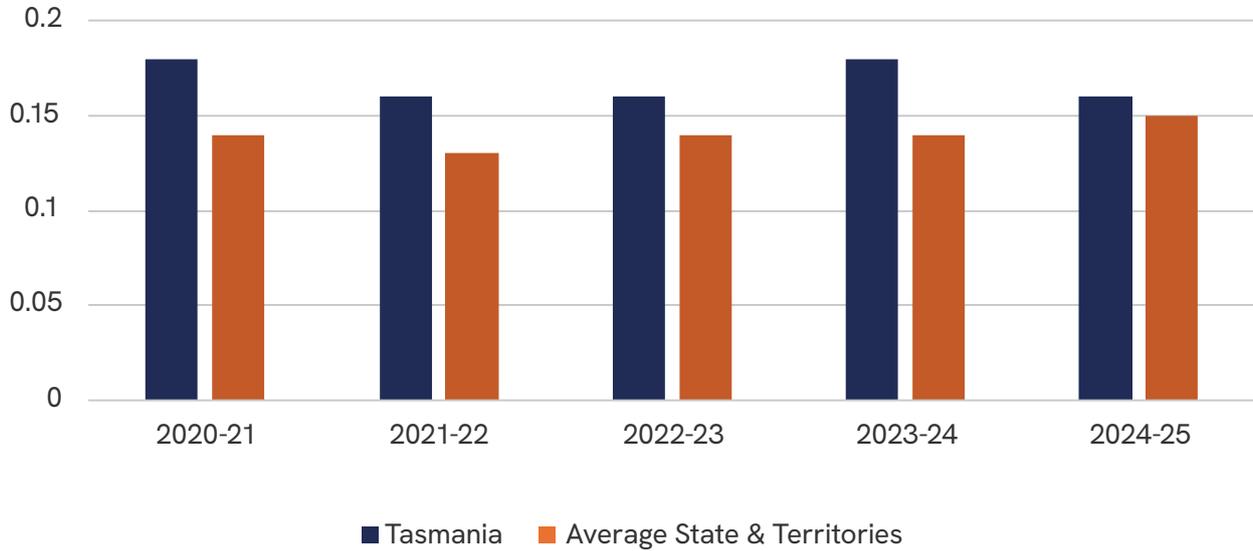


Note

While the average across the States and Territories reduced, the total cost for Audit Tasmania increased slightly. This is a reflection that general costs increased with inflation.



Measure 2 – Total audit costs (excluding payroll costs) per \$’000 of public sector assets

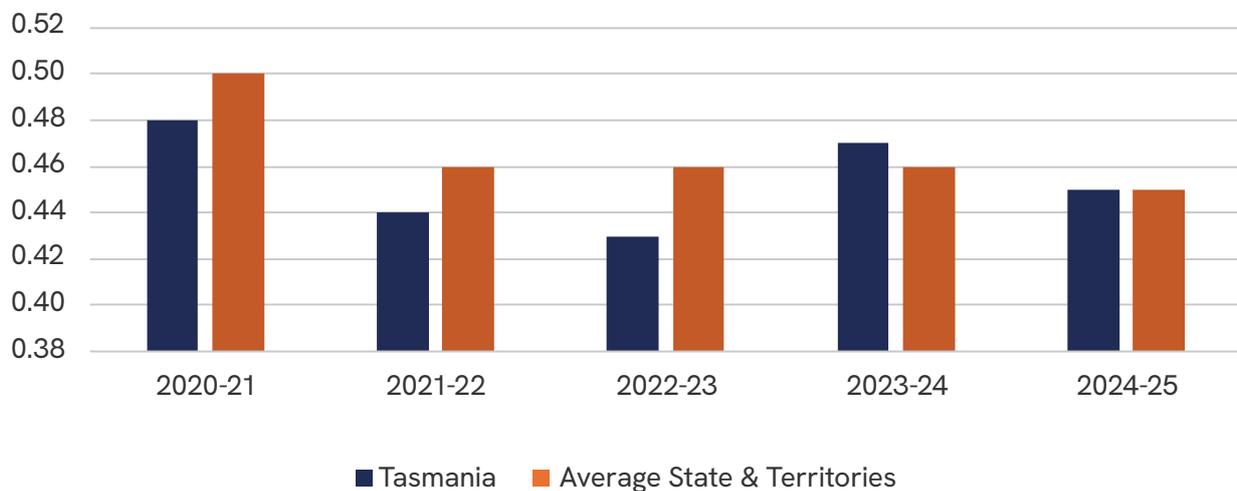


For Measures 3 to 5 (see the charts below), productivity of our staff has a direct impact on operating results.

All auditors are expected to achieve a minimum level of billable hours after allowing for leave, professional development and administration. Total paid hours include those of our corporate staff as well as personal and recreation leave for all staff.

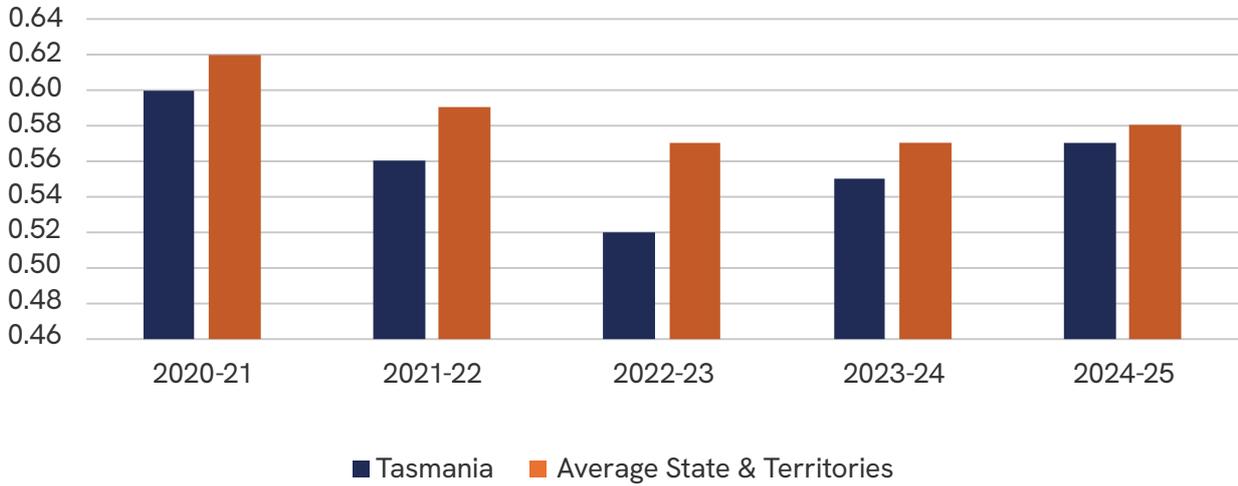
The movement from 2023-24 to 2024-25 is due to a reduction in staff turnover in both the attest and non-attest units. This has decreased time spent for onboarding and training, along with the improved methodology used with audit processes.

Measure 3 – Percentage of total (whole of office) paid hours charged to audit activities

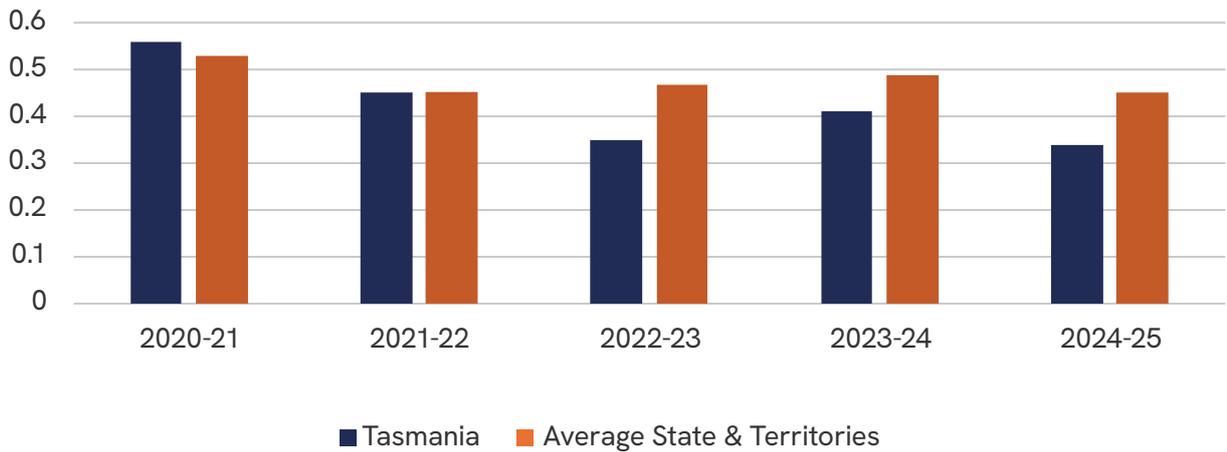




Measure 4 - Percentage of total attest audit staff paid hours charged to attest audit activities



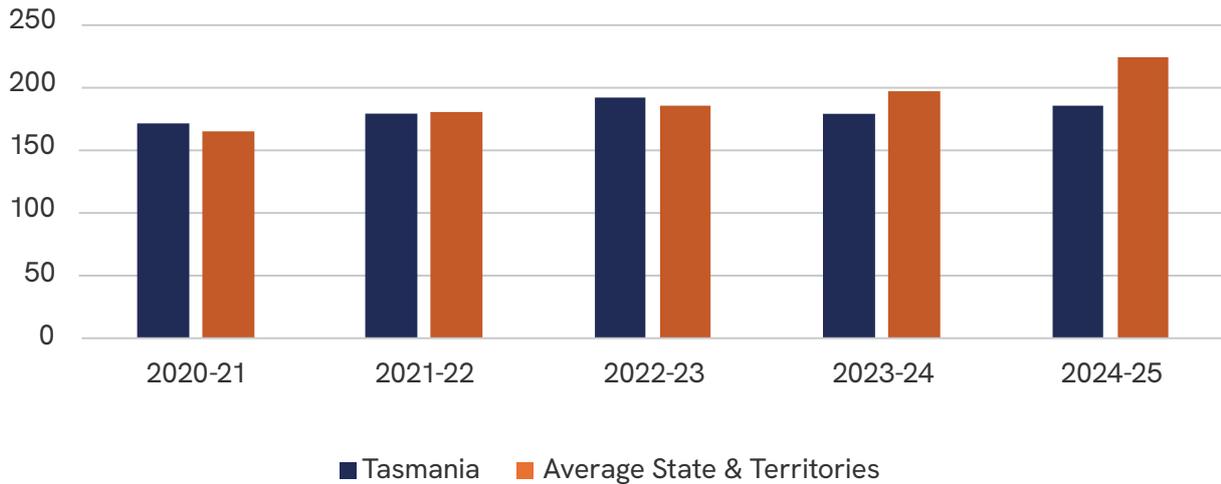
Measure 5 - Percentage of total paid hours of non-attest audit staff charged to non-attest audit activities





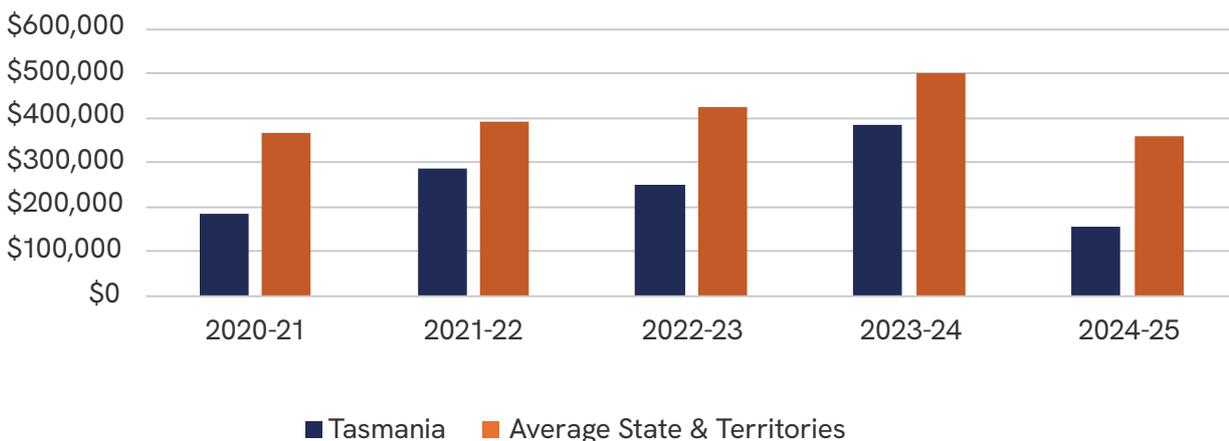
Measure 6 below shows a decrease of cost-per-audit hour charged to audit activities from 2023-24. This is due to a reduced cost of resourcing compared with the previous year where a number of more experienced staff members had left during the year, and they were replaced by less senior staff.

Measure 6 – Cost per audit hour charged to audit activities



Measure 7 indicates a smaller number of performance audits completed in 2024-25.

Measure 7 – Cost per performance audit



The Performance Audit Services unit has produced a larger number of products in 2024-25 through adding capability to the team. This has resulted in bringing down the average length and cost of audits.



Independent Auditor's Review Report to the Governor of Tasmania in relation to the Tasmanian Audit Office

Report on the Performance Report

We have reviewed the accompanying performance report, included within the annual report, which comprises the key performance indicators for the year ended 30 June 2025.

Auditor-General's Responsibility for the Performance Report

The Auditor-General is responsible for the preparation of the performance report. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the performance report to ensure that the report fairly represents the key performance indicators of efficiency and effectiveness.

Auditor's Responsibility

Our responsibility is to express a conclusion on the performance report based on our review. We conducted our review in accordance with Standard on Review Engagements ASRE 2405 Review of Historical Financial Information Other than a Financial Report, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the performance report does not present fairly the key performance indicators of efficiency and effectiveness. As the auditor of the entity, ASRE 2405 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a performance report consists of making enquiries, primarily of persons responsible for financial and accounting matters and applying other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the performance report does not present fairly the key performance indicators of efficiency and effectiveness for the year ended 30 June 2025.

Newton & Henry

Newton & Henry

Andrew Gray

Andrew Gray
Director

Dated: 21 October 2025

Liability limited by a scheme approved under Professional Standards Legislation.



Newton & Henry

Phone: +61 3 6337 3737

Fax: +61 3 6337 3700

office@newtonhenry.com.au

ABN: 23 838 220 458

L2, 93 Cimitiere St, Launceston TAS 7250

PO Box 199, Launceston TAS 7250

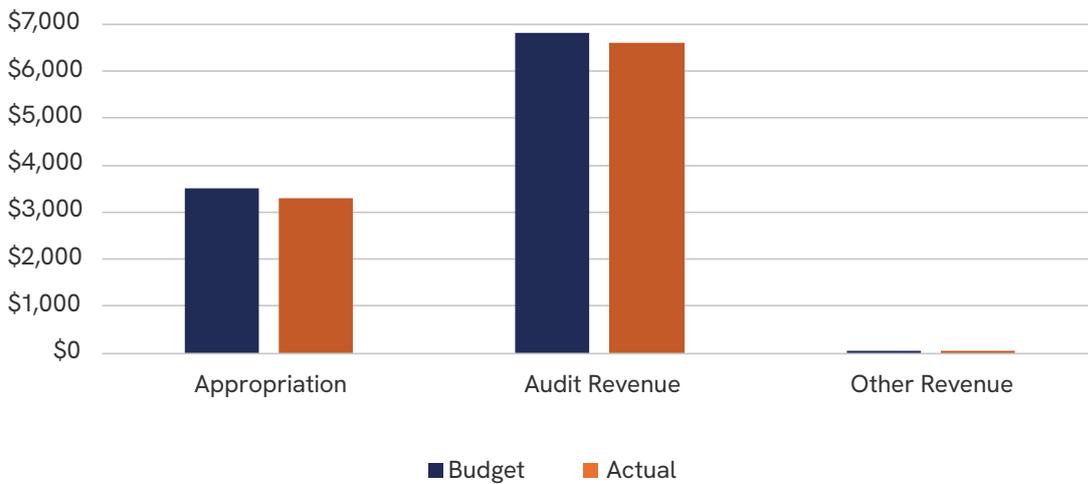
www.newtonhenry.com.au



Income and expenditure

Income summary

Our office has three sources of income:



Detailed information about these sources of income, as well as explanations for variation from budget are provided below. You can find more detail in our Financial Statements.

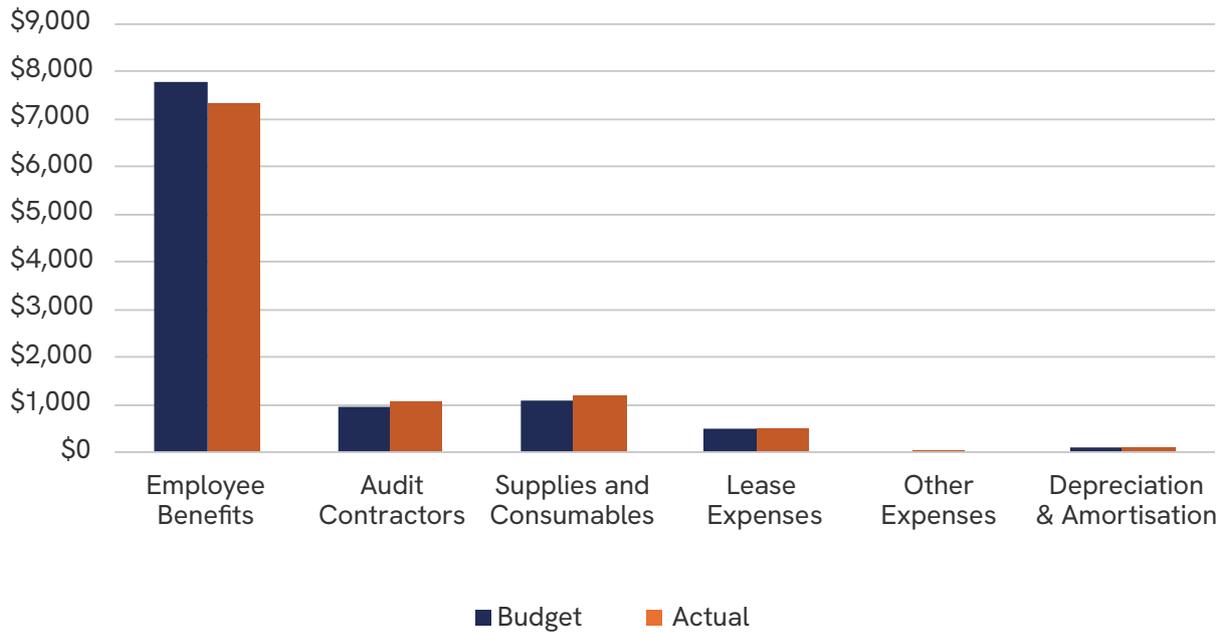
1. Audit revenue, or fees charged to auditees to cover the cost of our financial audit services, made up 66.3% of total revenue in the reporting year. During 2024-25 a review took place to make sure that fees charged to auditees were sufficient to cover costs.
2. Revenue from Government includes from appropriations, unexpended appropriations rolled over under section 23 of the *Financial Management Act 2016* and items reserved by law. We sometimes receive funding for specific purposes, such as our current funding over four years to implement data analytics in audit services. The funding for Data Analytics is due to end in June 2026.
3. Contributions received and other revenue includes contributions from staff towards certain benefits such as parking.



Expenditure summary

The Office’s main expense is salaries for our staff, making up 71.9% of total expenditure in 2024-25.

Payments to audit contractors, or service providers engaged to undertake audits on our behalf, make up 10.2% of expenses, followed by supplies and lease expenses.



Financial report





Statement of certification

The accompanying financial statements of the Tasmanian Audit Office are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016* to present fairly the financial transactions for the year ended 30 June 2025 and the financial position as at the end of the year.

At the date of signing, I am not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.

Martin Thompson
Auditor-General

14 August 2025



Statement of comprehensive income

	Notes	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Income from continuing operations				
Revenue from Government				
Appropriation revenue - Recurrent	4.1	2,807	2,604	2,541
Appropriation revenue - Reserved by law	4.1	556	561	640
Appropriation revenue - Rollover	4.1	136	136	-
Financial audit services	4.2	6,828	6,618	7,098
Other revenue	4.3	31	57	(90)
Total revenue from continuing operations		10,358	9,976	10,189
Net gain/(loss) on accounts receivable	6.1	-	-	(20)
Total income from continuing operations		10,358	9,976	10,169
Expenses from continuing operations				
Employee benefits	5.1(a)	7,764	7,322	7,676
Depreciation and amortisation	5.2	86	85	86
Audit contractors	5.3	960	1,044	1,509
Supplies and consumables	5.4	1,147	1,184	1,324
Other expenses	5.5	440	540	439
Total expenses from continuing operations		10,397	10,175	11,034
Net result from continuing operations		(39)	(199)	(865)
Net result		(39)	(199)	(865)
Comprehensive result		(39)	(199)	(865)

This Statement of comprehensive income should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2.1 of the accompanying notes.



Statement of financial position

	Notes	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Assets				
Financial assets				
Cash and deposits	2.1(a), 11.1	1,674	1,999	1,456
Receivables	7.1	387	243	398
Contract assets	2.1(b), 7.2	566	558	774
Non-financial assets				
Leasehold improvements, plant and equipment	7.3	590	590	672
Intangibles	7.4	5	5	9
Other assets	7.5	59	102	98
Total assets		3,281	3,497	3,407
Liabilities				
Payables	2.1(c), 8.1	56	92	177
Employee benefit liabilities	8.2	1,410	1,283	1,339
Contract liabilities	2.1(b), 8.4	579	868	446
Other Liabilities	8.5	-	8	-
Total liabilities		2,045	2,251	1,962
Net assets		1,236	1,246	1,445
Equity				
Contributed capital		1,168	1,168	1,168
Accumulated surplus	2.1(d)	68	78	277
Total equity		1,236	1,246	1,445

This Statement of financial position should be read in conjunction with the accompanying notes.

The budget is formulated without regard to the actual financial position at any one point in time.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2.2 of the accompanying notes.



Statement of cash flows

	Notes	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities				
Cash inflows				
Appropriation receipts - Operating	4.1	2,807	2,604	2,541
Appropriation receipts - Reserved by law	4.1	556	561	640
Appropriation revenue - Rollover	4.1	136	136	-
User charges		7,081	7,395	6,613
GST receipts	2.2(a)	672	1 051	969
Other cash receipts		31	63	34
Total cash inflows		11,283	11 810	10,797
Cash outflows				
Employee benefits		(7,943)	(7,393)	(7,605)
GST payments	2.2(b)	(672)	(1 036)	(985)
Audit contractors	2.2(c)	(960)	(1,170)	(1,382)
Supplies and consumables		(1,147)	(1,155)	(1,358)
Other cash payments		(440)	(513)	(441)
Total cash outflows		(11,161)	11,267	11,771
Net cash from/(used by) operating activities	11.2	122	543	(974)
Cash flows from investing activities				
Cash outflows				
Payments for acquisition of non-financial assets		(9)	-	(8)
Total cash outflows		(9)	-	(8)
Net cash from/ (used by) investing activities		(9)	-	(8)
Net increase/(decrease) in cash and cash equivalents held				
Cash and cash equivalents at the beginning of the reporting period		1,561	1,456	2,438
Cash and cash equivalents at the end of the reporting period	11.1	1,674	1,999	1,456

This Statement of cash flows should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2.3 of the accompanying notes.



Statement of changes in equity

	Contributed Equity \$'000	Accumulated Surplus \$'000	Total Equity \$'000
Balance as at 1 July 2024	1,168	277	1,445
Total comprehensive result	-	(199)	(199)
Balance as at 30 June 2025	1,168	78	1,246
	Contributed Equity \$'000	Accumulated Surplus \$'000	Total Equity \$'000
Balance as at 1 July 2023	1,168	1,142	2,310
Total comprehensive result	-	(865)	(865)
Balance as at 30 June 2024	1,168	277	1,445

This Statement of changes in equity should be read in conjunction with the accompanying notes.



Notes to and forming part of the financial statements

Note 1. Office output schedules	42
Note 2. Explanations of material variances between budget and actual outcomes	42
2.1 Statement of financial position	42
2.2 Statement of cash flows	43
Note 3. Underlying result	44
Note 4. Revenue	44
4.1 Revenue from Government	44
4.2 Financial audit services	45
4.3 Other revenue	45
Note 5. Expenses	45
5.1 Employee benefits	46
5.2 Depreciation and amortisation	48
5.3 Audit contractors	49
5.4 Supplies and consumables	49
5.5 Other expenses	50
Note 6. Net gains/(losses)	50
6.1 Net gain/(loss) on accounts receivable	50
Note 7. Assets	51
7.1 Receivables	51
7.2 Contract assets	52
7.3 Leasehold improvements, plant and equipment	53
7.4 Intangible assets	54
7.5 Other assets	55
Note 8. Liabilities	56
8.1 Payables	56
8.2 Employee liabilities	56
8.3 Superannuation	57
8.4 Contract liabilities	57
8.5 Other liabilities	58



Note 9. Commitments	58
9.1 Schedule of commitments	58
Note 10. Contingent assets and liabilities	59
Note 11. Cash flow reconciliation	59
11.1 Cash and Deposits	59
11.2 Reconciliation of net result to net cash from / (used in) operating activities	60
11.3 Reconciliation of liabilities arising from financing activities	60
Note 12. Financial instruments	60
12.1 Risk exposures	60
12.2 Categories of financial assets and liabilities	64
12.3 Comparison between carrying amount and net fair value of financial assets and liabilities	64
12.4 Net fair values of financial assets and liabilities	65
Note 13. Events occurring after balance date	66
Note 14. Other significant accounting policies and judgements	66
14.1 Objectives and funding	66
14.2 Basis of accounting	66
14.3 Reporting entity	67
14.4 Functional and presentation currency	67
14.5 Changes in accounting policies	67
14.6 Comparative figures	67
14.7 Rounding	67
14.8 Office taxation	67
14.9 Goods and Services Tax	67
Note 15. Auditor's remuneration	68
Note 16. Principal address and registered office	68



Note 1. Office output schedules

1.1 Output group information

The Tasmanian Audit Office (the Office) only has a single output called Public Sector Performance and Accountability to fulfil its Outcome Statement of ensuring that it provides independent assurance to the Parliament and community on the performance and accountability of the Tasmanian Public Sector. The summary of budgeted and actual revenues and expenses for this Output are the same as in the Statement of comprehensive income. Therefore, the inclusion of a separate Output Schedule is not necessary.

Explanations of material variances between budget and actual outcomes are provided in Note 2 below. A reconciliation of the net result of the Output Group to the net surplus on the Statement of comprehensive income is not necessary as the Office only has one output group. For the same reason there is no separate reconciliation between the total net assets deployed for the Output Group to net assets on the Statement of financial position.

Note 2. Explanations of material variances between budget and actual outcomes

Budget information refers to original estimates as disclosed in the 2024-25 Budget Papers and is not subject to audit. The following are brief explanations of material variances between the original budget estimates and actual outcomes. Variances are considered material where the variance exceeds 10 per cent of budget estimate and \$100,000. The Statement of comprehensive income Note 2.1 and Statement of cash flows Note 2.3 include a revised budget column which depicts a change in allocation from the original budget as published in the Budget Papers where applicable. These changes were made to reflect actual anticipated cost allocations. The variance explanations are based upon original budget compared with actuals.

2.1 Statement of financial position

Budget estimates for the 2024-25 Statement of financial position were compiled prior to the completion of the actual outcomes for 2023-24. As a result, the actual variance from the original budget estimate will be impacted by the difference between estimated and actual opening balances for 2024-25. The following variance analysis therefore includes major movements between the 30 June 2024 and 30 June 2025 actual balances.

	Note	Budget \$'000	2025 Actual \$'000	2024 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	1,674	1,999	1,456	325	543
Contract assets	(b)	566	558	774	(8)	(216)
Payables	(c)	56	92	177	36	(85)
Contract liabilities	(b)	579	868	439	289	429
Accumulated surplus	(d)	68	78	277	10	(199)



Notes to Statement of financial position variances

Statement of financial position budget is formulated without regard to the actual financial position at any one point in time. It has historically understated the changes in cash and equity.

- (a) The increase in cash and deposits compared to the prior year and budget is mainly due to timing differences in receipts and payments, including delayed supplier payments and early funding receipts. It also reflects unspent funds at year-end and effective cash flow management.
- (b) Contract assets were in line with budget expectations, with the year-on-year decrease reflecting timely invoicing of audit work completed near year-end. The increase in contract liabilities is due to higher unearned income at year-end, driven by early receipts for services to be delivered in the next financial year.
- (c) Payables reflect a negligible variance compared to the budget. The significant decrease from the previous year indicates the timely settlement of liabilities, highlighting improved payment practices and stronger financial management during the current period.
- (d) This reflects the net operating surplus generated during the year due to favourable revenue and expenditure performance.

2.2 Statement of cash flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
GST receipts	(a)	672	1,051	379	56
GST payments	(b)	672	1,036	364	54
Audit contractors	(c)	960	1,170	210	22

- (a) Variance to budget is due mainly to review of fees charged to Auditees, increasing revenue accordingly.
- (b) Variance due primarily to timings of cash payments.
- (c) Audit contractors' expenses is higher than budget due to unfilled audit staff positions, necessitating the engagement of audit contractors to undertake audit work.

Note 3. Underlying result

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Net result from continuing operations	(39)	(199)	(865)
Less, Contributions received	-	-	-
Underlying Net result from continuing operations	(39)	(199)	(865)



Note 4. Revenue

Revenue is recognised in the Statement of comprehensive income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15.

4.1 Revenue from Government

Appropriations, whether operating or capital, are recognised as revenues in the period in which the Office gains control of the appropriated funds as they do not contain enforceable and sufficiently specific obligations as defined by AASB 15. Except for any amounts identified as carried forward, control arises in the period of appropriation.

Revenue from Government includes revenue from appropriations, unexpended appropriations rolled over under section 23 of the *Financial Management Act 2016* and items Reserved by law.

Section 23 of the *Financial Management Act 2016* allows for an unexpended appropriation at the end of the financial year, as determined by the Treasurer, to be issued and applied from the Public Account in the following financial year. The amount determined by the Treasurer must not exceed 5.00 per cent of the Budget information is based on original estimates and has not been subject to audit.

Appropriation Revenue	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Recurrent	2,807	2,604	2 541
Reserved by law - Auditor-General's salary and associated allowances	556	561	640
Appropriation Rollover under section 23 of the <i>Financial Management Act 2016</i>	136	136	-
	3,499	3,301	3,181



4.2 Financial audit services

Revenue relating to the provision of financial audit services is recognised over time as the services are performed and performance obligations satisfied. Recognition is in accordance with the terms of the client services agreement or engagement strategy, adjusted for any time that may not be recoverable with reference to the hours incurred. The *Audit Act 2008* provides an enforceable right to payment for audit services provided.

	2025 \$'000	2024 \$'000
Financial audit services user charges	6 618	7,098
	6 618	7,098

4.3 Other revenue

Reserved by law – Auditor-General leave provisions revenue represents the movement in leave provisions for the Auditor-General’s leave entitlements, which are appropriations reserved by law.

Miscellaneous revenue primarily represents salary recoupments for a seconded TAO employee, as well as staff reimbursements for car parking expenses incurred by the Office

	2025 \$'000	2024 \$'000
Reserved by law – Auditor-General leave provisions		(125)
Miscellaneous	57	34
	57	(90)

Previously, whenever Auditor-General leave provisions were accounted for they were recorded as movements in revenue.



Note 5. Expenses

Expenses are recognised in the Statement of comprehensive income when a decrease in future economic benefits, related to a decrease in an asset or an increase of a liability, has arisen that can be measured reliably.

5.1 Employee benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(a) Employee expenses

	2025 \$'000	2024 \$'000
Wages and salaries	6,449	6,583
Superannuation – defined contribution scheme	645	817
Superannuation – defined benefit scheme	29	64
Other employee expenses	199	212
	7,322	7,676

Superannuation expenses relating to defined benefits schemes relate to payments into the Public Account. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.95 per cent (2023-24: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 11.5 per cent (2023-24: 11.00 per cent) of salary. In addition, the Office is also required to pay into the Public Account a “gap” payment equivalent to 3.45 per cent (2023-24: 3.45 per cent) of salary in respect of employees who are members of the contribution schemes.



(b) Remuneration of key management personnel

2025	Short-term Benefits		Long-term Benefits			Termination Benefits \$'000	Total \$'000
	Salary	Other Benefits	Superannuation	Other Benefits and Long Service Leave			
	\$'000	\$'000	\$'000	\$'000			
Key management personnel							
M Thompson, Auditor-General	477	27	54	15	-		573
J Wassell, Deputy Auditor-General	234	25	27	3	-		289
D Bond, Assistant Auditor-General FAS	191	-	22	22	-		235
D Burns, Acting Assistant Auditor-General FAS (from 31 March 2025)	44	-	4	2	-		50
S Morrison, Assistant Auditor-General FAS (from 22 January 2025)	85	3	10	5	-		103
J McGuinness, Assistant Auditor-General PAS	180	-	21	7	-		208
	1,211	55	138	54	-		1,458



2024	Short-term Benefits		Long-term Benefits			Termination Benefits \$'000	Total \$'000
	Salary	Other Benefits	Superannuation	Other Benefits and Long Service Leave			
	\$'000	\$'000	\$'000	\$'000			
Key management personnel							
M Thompson, Auditor-General (from 3 May 2024)	69	-	6	6	-		81
R J Whitehead, Auditor-General (to 29 March 2024)	306	27	53	(130)	161		417
J R Wassell, Deputy Auditor-General	212	5	24	10	-		251
D J R Bond, Assistant Auditor-General FAS	186	-	20	13	-		219
J McGuinness, Assistant Auditor-General PAS	167	-	18	(2)	-		183
	940	32	121	(105)	161		1,149

Total remuneration of individual key management personnel can be negative on separation. This is because of long service leave benefits accrued during their employment not being paid out on separation due to the employee not having sufficient length of service to realise their accrued benefit.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Office, directly or indirectly.

Remuneration during 2024-25 for key management personnel is set by the *Audit Act 2008* for the Auditor-General, and the *State Service Act 2000* for all other personnel.

Remuneration and other terms of employment are specified in employment contracts and awards.

Short-term benefits include salary, motor vehicle and car parking fringe benefits in addition to any other short-term benefits. Long term employee expenses include superannuation and movements in annual and long service leave provisions.

Fringe benefits have been reported at the grossed up reportable fringe benefits amount. The Fringe Benefits Tax (FBT) year runs from 1 April to 31 March each year, and any FBT attributable to key management personnel is reported on that basis.

It should be noted that because annual and long service leave liabilities are calculated by discounting future cashflows (detailed in Note 7.2), the termination payments received by any key management personnel may not necessarily correspond with the leave liability associated to that individual.



Acting arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

Terminations

Termination benefits include all forms of benefit paid or accrued as a consequence of termination, including Annual leave and long service leave paid out on termination.

(c) Related party transactions

There are no material related party transactions requiring disclosure.

5.2 Depreciation and amortisation

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

The depreciable amount of improvements to or on leaseholds is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is reasonably certain.

Depreciation is provided for on a straight-line basis, using rates which are reviewed annually.

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the Office. Major amortisation periods are:

Computer equipment - software 10 years

The cost of improvements to or on leased properties is amortised over the unexpired period of the lease or the estimated useful life of the improvements to the Office, whichever is the lesser. Major depreciation periods are:

Leased buildings - Level 2, 144 Macquarie Street, Hobart 10 years

Leased buildings - Launceston 10 years

	2025 \$'000	2024 \$'000
Amortisation - intangibles (computer software)	3	4
Depreciation - leasehold improvements	82	82
	85	86



5.3 Audit contractors

	2025 \$'000	2024 \$'000
Audit contractors	1,044	1,509
	1,044	1,509

5.4 Supplies and consumables

	2025 \$'000	2024 \$'000
Audit fees – financial audit and review of key performance report	28	24
Audit fees – internal audit	48	80
Lease expense (operating lease costs)	495	495
Consultants and contractors	14	45
Property services	102	101
Communications	3	4
Information technology	219	261
Travel and transport	169	141
Plant and equipment	6	8
Office requisites	8	17
Personnel expenses	44	104
Other supplies and consumables	48	44
	1,184	1,324

Audit fees paid or payable to Newton & Henry for the audit of the Office's financial statements were \$22,880 (2023-24 \$22,000)

Lease expense includes lease rentals for short-term leases, lease of low value assets and variable lease payments. Refer to Note 6.3 for breakdown of lease expenses and other lease disclosures.



5.5 Other expenses

Expenses, including accruals not yet invoiced, are recognised when the Office becomes obliged to make future payments or because of a purchase of goods and/or services.

	2025 \$'000	2024 \$'000
Workers' compensation insurance	70	37
Service level agreements	351	378
Other expenses	119	24
	540	439

Service level agreements include payments to the Department of Justice for the provision of corporate services (including finance, HR and IT support).

Note 6. Net gains/(losses)

6.1 Net gain/(loss) on accounts receivable

Financial assets are impaired under the expected credit loss approach required under AASB 9 Financial Instruments. The expected credit loss is recognised for all debt instruments not held at fair value through profit or loss.

Key estimates and judgements

An impairment loss using the expected credit loss method for all trade debtors uses a lifetime expected loss allowance. The expected loss rates are based upon historical observed loss rates that are adjusted to reflect forward looking macroeconomic factors.

All impairment losses are recognised in the Statement of Comprehensive Income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

	2025 \$'000	2024 \$'000
Impairment of accounts receivable	-	(20)
	-	(20)



Note 7. Assets

Assets are recognised in the Statement of financial position when it is probable that future economic benefits will flow to the Office and the asset has a cost or value that can be measured reliably.

7.1 Receivables

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price. Receivables are recorded inclusive of GST (where applicable).

Receivables are held with the objective to collect the contractual cash flows and are subsequently measured at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

The Office maintains a strong accounts receivable management program whereby all outstanding receivables are followed up in a timely fashion. In addition, the nature of the Office's clients has also led to the Office recording minimal impairments of receivables for a number of years.

For ageing analysis of the financial assets past due but not impaired, refer to Note 11.1.

	2025 \$'000	2024 \$'000
Receivables - Financial audit services	256	404
Less: Expected credit loss	(20)	(20)
Reserved by law - Auditor-General leave receivable	-	6
GST receivable	7	8
	243	398
Settled within 12 months	243	392
Settled in more than 12 months	-	6
	243	398

	2025 \$'000	2024 \$'000
Reconciliation of movement in expected credit loss for receivables		
Carrying amount at 1 July	20	-
Amounts written off during the year	-	-
Increase/(decrease) in provision recognised in profit or loss	-	20
Carrying amount at 30 June	20	20



7.2 Contract assets

A Contract Asset is the Office's right to consideration in exchange for goods or services that the Office has transferred to the customer, but not billed as at the reporting date as all conditions have not been fulfilled. Contract assets become receivable when the rights to receive payment become unconditional on satisfactory completion of performance obligations.

Contract assets represents costs incurred and profit recognised on financial audit engagements that are in progress and have not yet been invoiced at reporting date. Contract assets are valued at net realisable value after providing for any impairment. Contract assets are recognised in the Statement of financial position and the movement recognised in the Statement of comprehensive income.

	2025 \$'000	2024 \$'000
Contract assets (work in progress)	558	774
	558	774
Balance at 1 July	774	566
Add, Costs related to financial audit services provided	6,618	7,097
Less, Transfers to receivables	(7,256)	(6,743)
Add Movement in revenue in advance	422	(146)
Balance at 30 June	558	774

7.3 Leasehold improvements, plant and equipment

(i) Valuation basis

All non-current physical assets, including any work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self constructed assets include the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of leasehold improvements, plant and equipment have different useful lives, they are accounted for as separate items (major components) of relevant assets.

(ii) Subsequent costs

The cost of replacing part of an item of leasehold improvements, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Office and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day to day servicing of leasehold improvements, plant and equipment are recognised in the Statement of comprehensive income as incurred.



(iii) Asset recognition threshold

The asset capitalisation threshold adopted by the Office is:

Office equipment, furniture and fittings	\$5,000
Leasehold improvements	\$5,000

Assets valued at less than \$5,000 are charged to the Statement of comprehensive income in the year of purchase. Assets valued at less than these thresholds are charged to the Statement of comprehensive income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(a) Carrying amount

	2025 \$'000	2024 \$'000
Leasehold improvements		
At cost	819	819
Less: Accumulated depreciation	(229)	(147)
	590	672
Work in progress (at cost)	-	-
Total leasehold improvements	590	672

(b) Reconciliation of movements

Reconciliations of the carrying amounts of each class of leasehold improvements, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation.

	Leasehold Improvements \$'000	Total \$'000
Carrying value at 1 July 2024	672	672
Depreciation expense	(82)	(82)
Carrying value at 30 June 2025	590	590



	Leasehold Improvements \$'000	Total \$'000
Carrying value at 1 July 2023	754	754
Depreciation expense	(82)	(82)
Carrying value at 30 June 2024	672	672

7.4 Intangible assets

An intangible asset is recognised where it is probable that an expected future economic benefit attributable to the asset will flow to the Office and the cost of the asset can be reliably measured.

Intangible assets held by the Office are reported at cost less any accumulated amortisation and any accumulated impairment loss. The carrying amounts of intangibles are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated at each reporting date

(a) Carrying amount

	2025 \$'000	2024 \$'000
Intangibles with a finite useful life		
Software at cost	32	32
Less: Accumulated amortisation	(27)	(23)
	5	9
Work in progress (at cost)	-	-
	5	9

(b) Reconciliation of movements

	2025 \$'000	2024 \$'000
Carrying amount at 1 July	9	13
Net movement in Work in progress	-	-
Transfer	-	-
Amortisation expense	(4)	(4)
Carrying amount at 30 June	5	9
	5	9



7.5 Other assets

Other assets comprise prepayments. Prepayments relate to actual transactions that are recorded at cost with the asset at balance date representing the unutilised component of the prepayment.

	2025 \$'000	2024 \$'000
Other assets		
Prepayments	102	98
Total other asset	102	98
Utilised within 12 months	102	98
Total other assets	102	98

Note 8. Liabilities

Liabilities are recognised in the Statement of financial position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

8.1 Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at the nominal amount when the Office becomes obliged to make future payments as a result of a purchase of assets or services.

	2025 \$'000	2024 \$'000
Creditors and accruals	92	177
	92	177
Settled within 12 months	92	177
	92	177
Total other assets	102	98

Settlement is usually made within 30 days.



8.2 Employee liabilities

Key estimates and judgements

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid.

Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material. The Office assumes that all staff annual leave balances less than 20 days will be settled within 12 months, and therefore valued at nominal value, and balances in excess of 20 days will be settled in greater than 12 months and therefore calculated at present value.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The Office makes a number of assumptions regarding the probability that staff who have accrued long service leave, but are ineligible to take it, will remain with the Office long enough to take it. For those staff eligible to take their long service leave, the Office assumes that they will utilise it on average, evenly over the following ten years.

All long service leave that will be settled within 12 months is calculated at nominal value and all long service leave that will be settled in greater than 12 months is calculated at present value.

	2025 \$'000	2024 \$'000
Accrued salaries	217	233
Annual leave	368	391
Long service leave	630	570
Superannuation	68	145
	1,283	1,339
Expected to settle wholly within 12 months	594	659
Expected to settle wholly after 12 months	689	680
	1,283	1,339



8.3 Superannuation

(i) Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post employment benefit plan other than a defined contribution plan.

The Office does not recognise a liability for the accruing superannuation defined benefits of Office employees. This liability is held centrally and is recognised within the Finance General Division of the Department of Treasury and Finance.

8.4 Contract liabilities

The Office invoices for financial audit services on an agreed instalment basis. Where services have been invoiced but work has not been undertaken, an amount is recognised as revenue in advance.

	2025 \$'000	2024 \$'000
Revenue received in advance	868	446
Revenue recognised during the year that was included in the contract liability balance at the beginning of the year	446	593
Revenue recognised during the year from performance obligations satisfied (or partially satisfied) in previous years	-	-

8.5 Other liabilities

	2025 \$'000	2024 \$'000
Employee benefit liabilities – on-costs		
Workers compensation premiums	8	-
	8	-
Expected to settle wholly within 12 months	3	-
Expected to settle wholly after 12 months	5	-
	8	-



Note 9. Commitments

9.1 Schedule of commitments

Commitments represent those contractual arrangements entered by the Office that are not reflected in the Statement of financial position.

	2025 \$'000	2024 \$'000
Commitments by type		
Contract audits	1,301	1,436
Service level agreement with Department of Justice	360	349
Office rent and motor vehicle fleet agreements	1,824	2,087
Other commitments	143	72
Total commitments	3,628	3,944

	2025 \$'000	2024 \$'000
Commitments by maturity		
One year or less	1,532	1,710
From one to five years	1,544	1,439
Over five years	552	795
Total commitments	3,628	3,944

(a) Office rent and motor vehicle fleet agreements

For Launceston Office accommodation the remaining commitment is 2 years. For Hobart Office accommodation the remaining term is 7 years as a new agreement was entered into in June 2022. Both of these leases are held by the Department of Treasury and Finance.

The motor vehicle commitments are governed by the Government's contract held by the Department of Treasury and Finance. Motor vehicle commitments have been calculated based on the agreements entered into as at 30 June 2025 and the value and remaining term of the outstanding commitment payments. All amounts shown are exclusive of GST.

(b) Other commitments

Commitments exist for the payments under contract/agreement for future auditing services, audit software licensing and the multi-function device lease.



Note 10. Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Statement of financial position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation. The Office does not have any contingent assets or liabilities.

Note 11. Cash flow reconciliation

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in Specific Purpose Accounts, being short term of 3 months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

11.1 Cash and Deposits

Cash and cash equivalents includes the balance of the Specific Purpose Accounts held by the Office, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2025 \$'000	2024 \$'000
Special Purpose Account - S644	1,999	1,456
Total cash and deposits	1,999	1,456



11.2 Reconciliation of net result to net cash from / (used in) operating activities

	2025 \$'000	2024 \$'000
Net result from transactions	(199)	(865)
Depreciation and amortisation	85	86
Lease incentive	-	-
Accrued payment for Leasehold improvements	-	8
Decrease (increase) in Receivables	154	2
Decrease (increase) in Contract assets	216	(208)
Decrease (increase) in Prepayments	(4)	(38)
Decrease (increase) in Tax receivable	1	(3)
Increase (decrease) in Tax liabilities	-	-
Increase (decrease) in Employee entitlements	(55)	76
Increase (decrease) in Payables	(85)	115
Increase (decrease) in Contract liabilities	422	(147)
Increase (decrease) in Other liabilities	8	-
Net cash from / (used in) operating activities	543	(974)

11.3 Reconciliation of liabilities arising from financing activities

The Office does not have any liabilities arising from financing activities.

Note 12. Financial instruments

12.1 Risk exposures

(a) Risk management policies

The Office has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk and
- market risk.

The Auditor-General has overall responsibility for the establishment and oversight of the Office's risk management framework. Risk management policies are established to identify and analyse risks faced by the Office, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.



(b) Credit risk exposures

Credit risk is the risk of financial loss to the Office if a client or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables and work in progress	<p>The Office’s receivables are reviewed monthly for recoverability and investigation, particularly for those at 90+ days by the Engagement Leader. At 30 June 2025, 24.62 per cent of debtors were 90+ days outstanding. With one exception, debtors are deemed receivable at 30 June 2025.</p> <p>The Office’s work in progress is reviewed monthly for recoverability. Work in progress drives the budget for Financial audit services user charges. Recoverability was set at 88 per cent for 2024-25. This target was met at 30 June 2025 at 88.5 per cent.</p>	Normal credit terms are 14 days as dictated by the Treasurer’s Instruction.
Cash and deposits	<p>The Office’s financial indicators for support of sustainability published in our annual report as follows:</p> <p>End of year cash balance greater than \$600,000. This target was met at 30 June 2025.</p>	Cash means notes, coins and any deposits held at call with a bank or financial institution.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Office’s maximum exposure to credit risk without taking into account of any collateral or other security.

There has been no change to credit risk policy since the previous reporting period.

Past history and the fact that user charges are a debt to the Crown, indicate there is low risk to the credit quality of these financial assets.



Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Office's maximum exposure to credit risk without taking into account of any collateral or other security:

	2025 \$'000	2024 \$'000
Financial audit services receivables	256	404
Expected credit loss	(20)	(20)
Total	236	384

Expected credit loss analysis of receivables

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June are as follows:

2025	Not Past Due \$'000	Past due 1-30 Days \$'000	Past Due 31-60 Days \$'000	Past Due 61-90 Days \$'000	Total \$'000
Expected credit loss rate (A)	0%	0%	0%	32%	8%
Total gross carrying amount (B)	116	65	12	63	256
Expected credit loss (A x B)	-	-	-	20	20

2024	Not Past Due \$'000	Past Due 1-30 Days \$'000	Past Due 31-60 Days \$'000	Past Due 61-90 Days \$'000	Total \$'000
Expected credit loss rate (A)	0%	0%	0%	67%	5%
Total gross carrying amount (B)	300	28	45	31	404
Expected credit loss (A x B)	-	-	-	20	20



(c) Liquidity risk

Liquidity risk is the risk that the Office will not be able to meet its financial obligations as they fall due. The Office’s approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The Office, as part of its risk management plan, manages liquidity risk through processes that ensure effective audit operations, timely billing of work in progress and recovery of debtors and effective cash flow management. This includes managing annual and long service leave arrangements to minimise potential negative cash flow impacts.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial liabilities		
Payables	<p>The Office’s financial indicators for support of sustainability published in our annual report as follows:</p> <p>Maintaining a positive cash balance of \$600,000, in order to have sufficient liquidity to meet its liabilities when they fall due. This target was met at 30 June 2025.</p>	<p>As per Treasurer’s Instruction FC-7 the Office pays within suppliers’ credit terms. Where there are no credit terms specified Office policy is to pay within 14 days of receipt of a correctly rendered tax invoice.</p>

Maturity analysis for financial liabilities

The following tables detail the undiscounted cash flows payable by the Office by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of financial position:

	Maturity analysis for financial liabilities		
	1 Year	Undiscounted Total	Carrying Amount
	\$’000	\$’000	\$’000
Financial liabilities			
Payables	92	92	92
Total	92	92	92



2025

Maturity analysis for financial liabilities

	1 Year	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000
Financial liabilities			
Payables	177	177	177
Total	177	177	177

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. As of 30 June 2025, the Office does not have any interest-bearing assets or liabilities. As a result, its exposure to market risk is minimal.

12.2 Categories of financial assets and liabilities

Amortised Cost	2025 \$'000	2024 \$'000
Financial assets		
Cash and cash equivalents	1,999	1,456
Receivables	243	398
Total	2,242	1,854
Financial liabilities		
Payables	92	177
Total	92	177



12.3 Comparison between carrying amount and net fair value of financial assets and liabilities

	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	2025	2025	2024	2024
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash in Special Deposits and Trust Fund	1,999	1,999	1,456	1,456
Receivables	243	243	398	398
Total financial assets	2,242	2,242	1,854	1,854
Financial liabilities (recognised)				
Payables	92	92	177	177
Total financial liabilities (recognised)	92	92	177	177

12.4 Net fair values of financial assets and liabilities

	Amortised Cost	Net Fair Value Level 1	Net Fair Value Level 2	Net fair Value Level 3	Net Fair Value Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits	1,999	-	-	-	1,999
Receivables	243	-	-	-	243
Total financial assets	2,242				2,242
Financial liabilities					
Payables	92	-	-	-	92
Total financial liabilities	92				92



	Amortised Cost \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets					
Cash and deposits	1,456	-	-	-	1,456
Receivables	398	-	-	-	398
Total financial assets	1,854	-	-	-	1,854
Financial liabilities					
Payables	177	-	-	-	177
Total financial liabilities	177	-	-	-	177

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. The Office uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- *Level 1* the fair value is calculated using quoted prices in active markets;
- *Level 2* the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- *Level 3* the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Note 13. Events occurring after balance date

There have been no events subsequent to balance date which would have a material effect on the Office's financial statements as at 30 June 2025.

Note 14. Other significant accounting policies and judgements

14.1 Objectives and funding

The Office is structured to provide audit assurances to Parliament concerning the Financial Statements of the Treasurer, and all state entities, and the economy, efficiency and effectiveness of those entities.

The Office charges fees for financial audit services. Since 1 July 2008, the Office has been funded by a direct Parliamentary appropriation for undertaking performance and compliance audits, special investigations and the publishing of statutory reports to Parliament. The Office is also funded through a Parliamentary appropriation for the Auditor-General's salary and associated allowances.

These financial statements encompass all funds through which the Office controls resources to carry on its functions.



14.2 Basis of accounting

The financial statements are a general-purpose financial report and have been prepared in accordance with:

- Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB); and
- The Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016*.

The financial statements were signed by the Auditor-General on 14 August 2025.

Compliance with AAS may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Office is a not-for-profit entity and may adopt some accounting policies under the AAS that do not comply with IFRS.

The financial statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. Material accounting policy information is consistent with the previous year except for those changes outlined in Note 14.5.

The financial statements have been prepared on the basis that the Office is a going concern. The continued existence of the Office in its present form, undertaking its current activities, is dependent on Government policy and partially on continuing appropriations by Parliament for the Office's performance and compliance audits and reporting to Parliament.

The Office has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

14.3 Reporting entity

The financial statements include all the controlled activities of the Office. The Office is a single reporting entity.

14.4 Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Office's functional currency.

14.5 Changes in accounting policies

(a) Impact of new and revised Australian Accounting Standards and Interpretations

There were no new or revised Standards and Interpretations issued by the Australian Accounting Standards Board that have a material impact on the reporting of the Office's operations for the current annual reporting period.

(b) Impact of new and revised Australian Accounting Standards and Interpretations yet to be applied

The Office has considered the new accounting standards and assessed that they will not have a material impact on the financial statements once adopted in future reporting periods.



14.6 Comparative figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at Note 14.5.

Where amounts have been reclassified within the financial statements, the comparative statements have been restated. The comparatives for external administrative restructures are not reflected in the financial statements.

14.7 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statements include a note expressing the amount to the nearest whole dollar.

14.8 Office taxation

The Office is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax

14.9 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of financial position.

In the Statement of cash flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

Note 15. Auditor's remuneration

The Governor, on recommendation of the Treasurer, in accordance with the *Audit Act 2008*, appoints the auditor of the Tasmanian Audit Office. Newton & Henry were appointed for 3 years commencing 30 June 2024, with the option for an additional 3 years.

	2025 \$'000	2024 \$'000
Financial audit fees	23	22
Total	23	22

Note 16. Principal address and registered office

Level 2
144 Macquarie St
Hobart TASMANIA 7000



**Independent Auditor's Report
To the Governor of Tasmania in relation to the Tasmanian Audit Office**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Tasmanian Audit Office (the Office), which comprises the statement of financial position as of 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement of certification.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Tasmanian Audit Office as at 30 June 2025 and of its financial performance and its cash flows for the year then ended in accordance with the *Australian Accounting Standards* and the *Treasurers Instructions* issued under the provisions of the *Financial Management Act 2016*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report.

We are independent of the Office in accordance with the auditor independence requirements and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Those Auditor-General is responsible for the other information. The other information comprises the information included in the Tasmanian Audit Office's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. The annual report is expected to be made available to us after the date of this independent auditor's report.

Liability limited by a scheme approved under Professional Standards Legislation.



Newton & Henry

Phone: +61 3 6337 3737

Fax: +61 3 6337 3700

office@newtonhenry.com.au

ABN: 23 838 220 458

L2, 93 Cimitiere St, Launceston TAS 7250

PO Box 199, Launceston TAS 7250

www.newtonhenry.com.au



Auditor-General's responsibility for the financial report

The Auditor-General is responsible for the preparation and fair presentation of the financial report in accordance with *Australian Accounting Standards* and the *Treasurers Instructions* issued under the provisions of the *Financial Management Act 2016*, and for such internal control as the Auditor-General determines is necessary to enable the preparation of the financial report that is free from misstatement, whether due to fraud or error.

In preparing the financial report, the Auditor-General is responsible for assessing the Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Auditor-General either intends to liquidate the Office or to cease operations, or has no realistic alternative but to do so.

The Auditor-General is responsible for overseeing the Office's financial reporting process.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of those charged with governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Office to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Newton & Henry

Newton & Henry

Andrew Gray
Director

Dated: 20 August 2025

Appendices





Acronyms and abbreviations

AAG	Assistant Auditor-General
AAS	Australian Accounting Standards
ACAG	Australasian Council of Auditors-General
Audit Act	<i>Audit Act 2008</i>
CaseWare	CaseWare Audit System
CPA Australia	Certified Practising Accountants Australia
FTE	Full Time Equivalent
GST	Goods and Services Tax
ICT	Information and Communications Technology
KPI	Key Performance Indicator
OHST	Oral Health Services Tasmania
PID Act	<i>Public Interest Disclosure Act 2002</i>
PIP Act	<i>Personal Information Protection Act 2004</i>
RTI Act	<i>Right to Information Act 2009</i>
State Service Act	<i>State Service Act 2000</i>
the Office	Tasmanian Audit Office



Appendix 1 – Presentations and speeches

Our staff provide information on aspects of our work at a variety of forums. External speeches and presentations delivered during 2024-25 are listed below.

Date	Details
19 March 2025	Senior Management and Members of Audit Committees Information Session, Hobart Presenters: Martin Thompson, Stephen Morrison, Jonathan Wassell, Hazel Joven, Alex Cullen, Janine McGuinness
20 March 2025	Auditee Information Session – General Government and other Not-for-profit sector (Online) Presenters: Janine McGuinness, Martin Thompson, Stephen Morrison, Alex Cullen, Hazel Joven
21 March 2025	Auditee Information Session – Government Business Enterprises (Online) Presenters: Janine McGuinness, Martin Thompson, Stephen Morrison, Cullen, Hazel Joven
24 March 2025	Auditee Information Session – Local Government (Online) Presenters: Janine McGuinness, Martin Thompson, Stephen Morrison, Alex Cullen, Hazel Joven
26 March 2025	Senior Management and Members of Audit Committees Information Session, Devonport Presenters: Martin Thompson, Stephen Morrison, Jonathan Wassell, Hazel Joven, Alex Cullen, Janine McGuinness



Appendix 2 – Right to information, privacy and public interest disclosures

Right to information

We are committed to ensuring our administrative information is available to the public. The *Right to Information Act 2009* (RTI Act) gives the public, the media and Members of Parliament the right to access information that we hold, unless the information is exempt from release.

Under section 6 of the RTI Act, the Auditor-General is exempt from providing any requested information unless it relates to our administration. Information relating to financial and performance audits conducted and reports to Parliament are regarded as exempt, being classified as internal working information, as is information compiled in making preliminary assessments following receipt of referrals.

In 2024-25, one request was received under the RTI Act; however, as the application requirements were not met (no written request and no fee paid), zero requests were processed.

Protecting privacy

We are committed to protecting each individual's privacy in the way we collect, use and disclose personal information. We also ensure that individuals have a degree of control over their own personal information. When dealing with private information, we do so in accordance with the *Personal Information Protection Act 2004* (PIP Act).

No requests were received under the PIP Act in 2024-25.



Public interest disclosures

The purpose of the *Public Interest Disclosures Act 2002* (PID Act) is to encourage and facilitate disclosures about improper conduct of public officers or public bodies. We are committed to the aims and objectives of the PID Act, recognising the value of transparency and accountability in administrative and management practices.

We support the making of disclosures that reveal corrupt conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment.

We do not tolerate improper conduct by our staff or reprisals against those who come forward to disclose such conduct. All reasonable steps are taken to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure.

Our procedures are accessible on our website, www.audit.tas.gov.au, or available upon request by email to PID@audit.tas.gov.au.

In accordance with the requirements of section 86 of the PID Act, we advise that in the 2024-25 financial year:

- No disclosures of public interest were made to us.
- No public interest disclosures were investigated by us.
- No disclosed matters were referred to us by the Tasmanian Ombudsman.
- No disclosed matters were referred by us to the Tasmanian Ombudsman to investigate.
- No investigations of disclosed matters were taken over by the Tasmanian Ombudsman from us.
- There were no disclosed matters that we decided not to investigate.
- There were no disclosed matters substantiated on investigation as there were no disclosed matters.
- The Tasmanian Ombudsman made no recommendations under the PID Act that relate to us.

Process for appealing decisions by the Office

We do not administer any legislation and the nature of our remit under the Audit Act is that there are no appealable decisions made by the Office.

Role	Contact officers and details
Public Interest Disclosure Officers	Jeff Tongs (July - August 2024) Naomi Martin Edwards (September 2024 - June 2025) and Janine McGuinness (July 2024 - June 2025) PID@audit.tas.gov.au
Right to Information Officers	Jeff Tongs (July - August 2024) Naomi Martin Edwards (September 2024 - June 2025) and Janine McGuinness (July 2024 - June 2025) admin@audit.tas.gov.au
Personal Information Contact Officer	admin@audit.tas.gov.au



Appendix 3 – Risk management and asset management

Risk management

Reviewing key business risks is fundamental to our strategic and business processes. We also apply risk management to major projects, including those relating to financial and performance auditing services, and to key corporate service functions.

During 2024-25, we monitored and regularly reviewed key risks and associated treatment plans according to our key headline risks:

An inability to attract, develop and retain staff due to failure to provide appropriate learning and development opportunities, poor organisational culture, failure to recognise and reward staff performance, failure to support appropriate staff support interventions or inefficient and ineffective processes for attracting and recruiting staff.

The issuance of inappropriate audit opinions and/or reports due to failure to provide sufficient resources to conduct Office audits or failure to use correct auditor's report or issue the correct auditor's opinion on the audit of financial statements or for an audit by arrangement.

The loss or misuse of sensitive information held by Office due to inadequate physical ICT security measures, inappropriate access, use or distribution of the Office's sensitive information to unauthorised third parties or failure to enforce the Office's contractual obligations with respect to confidentiality agreements.

- A failure to protect peoples' health and wellbeing due to hazard or threat prevalent in the community, complex and demanding nature of work, inappropriate behaviour in the workplace or manager failure to recognise employee inability to perform duties.
- Key vendors failing to deliver goods and/or services to the Office's expectations due to failure to contract manage the Office/vendor contractual obligations.
- The failure of key ICT systems due to failure of vendor to recover from a critical business interruption.
- The Office's statutory independence is compromised due to State Government not keeping at arm's length from the Office's operations.
- Adverse fraud and/or corruption event due to Office staff member/contractor/third party engaging in unlawful activity.
- The Office's inability to sustainably manage its operations due to the Office not being able to recover from a disaster, emergency or pandemic or the Office not having the right mix of skilled and competent staff.
- Inadequate leadership and governance of the Office due to an absence of clear and appropriate leadership at the executive and senior management level of the Office and/or unclear assignment of roles, responsibilities and authority.



A report on the status of risk treatments identified on the registers is periodically presented to our Strategic Leadership Group and to the Risk and Audit Committee. Our strategic internal audit program is structured around the identified risks around internal controls associated with our Risk Register.

In addition to internal audits, we address risks through steps such as:

- Identifying audit topics of public interest
- Regularly meeting with Parliamentarians and key clients
- Quality assurance and independent peer reviews
- Allocating responsibility for managing risks to appropriate staff and in business plans
- Continuing to improve the quality, readability and balance our reporting
- Ensuring we have a workplace that attracts and retains the staff required
- Prompt monthly financial reporting inclusive of financial projections
- Ensuring we are properly governed
- Insurance

Our insurance arrangements are with the Tasmanian Risk Management Fund and insurance cover is for travel, general property, personal accident, transit, motor vehicles, general liability and workers compensation.

Asset management

The financial statements for 2024-25 in this report contain full details of our assets. These are recorded in accordance with our accounting policies and procedures, and these amounts are disclosed in the statements, along with appropriate policies.

Details of our assets are recorded in the asset module of our financial management system. This provides a direct link between our asset register and the general ledger, which enhances our financial reporting. We also track portable and attractive items on a register held in our financial management system. This register is reviewed annually.



Appendix 4 – Government procurement and pricing policies

Government procurement

We ensure procurement is undertaken in accordance with the mandatory requirements of Treasurer’s Instructions relating to procurement. This includes Tasmanian businesses being given every opportunity to compete for our business. The following table summarises the level of participation by Tasmanian businesses for contracts and procurement processes valued at \$50,000 or more (excluding GST).

Summary of participation by Tasmanian businesses (for contracts and procurement processes valued at \$50,000 or more)¹

Total number of contracts awarded	4
Total number of contracts awarded to Tasmanian businesses ²	3
Value of contracts awarded	\$646,634
Value of contracts awarded to Tasmanian businesses	\$518,454
Total number of procurement processes run	4
Total number of submissions (bids) received	6
Total number of submissions (bids) received from Tasmanian businesses	5

¹ The values in this table do not include the value of options to extend or GST.

² A Tasmanian business is a business operating in Tasmania that has a permanent office or presence in Tasmania, and which employs Tasmanian workers.



Contracts valued \$50,000 or over (excluding GST) (excluding consultancy contracts)

The following table gives detailed information on contracts valued at \$50,000 (excluding GST) or more.

Name of contractor	Location	Description of contract	Period of contract	Value of contract (initial period)	Value of option to extend
GHD Pty Ltd	Hobart, Tasmania	Non-financial review of Annual Information Orders for Tasmanian Networks Pty Ltd issued by the Australian Energy Regulator for the three financial years ending 30 June 2025, 30 June 2026 and 30 June 2027	3 years	\$246,994	N/A
RSM	Melbourne, Victoria	Specialist valuation services to assist with the audit of the Tasmanian Public Finance Corporation and audit of financial statement disclosures relating to Value at Risk analysis	3 years	\$128,180	N/A
Bentleys Tasmania Audit Pty Ltd	Hobart, Tasmania	Financial attest audits of Burnie City Council for the financial years ending 30 June 2025, 30 June 2026 and 30 June 2027	3 years	\$151,000	N/A
Bentleys Tasmania Audit Pty Ltd	Hobart, Tasmania	Financial attest audits of Flinders Island Council for the financial years ending 30 June 2025, 30 June 2026 and 30 June 2027	3 years	\$120,460	N/A

Consultancies over \$50,000 (excluding GST)

There were no consultancies over \$50,000 (excluding GST) during 2024-25.



Pricing policies

Fees for financial audits are determined by the Auditor-General pursuant to section 27 of the Audit Act.

The basis for setting fees is to be described in a report to Parliament dealing with the results of financial audit of State entities. The latest basis was detailed in the Report of the Auditor-General No.7 2024-25: Auditor-General's Report on the Financial Statements of State Entities, Volume 2, Audit of State entities and audited subsidiaries of State entities 31 December 2023 and 30 June 2024, available from the Office's website.

Procurement complaints

We received no complaints from businesses on our procurement practices or procedures.

Office contact officer

Responsibility	Primary Contact Officer
Procurement Complaints Officer	Jonathan Wassell: admin@audit.tas.gov.au

Appendix 5 – Superannuation declaration

I, Martin Thompson, hereby certify that the Tasmanian Audit Office has met its obligations under the *Commonwealth Superannuation Guarantee (Administration) Act 1992* for those staff of the Office who are members of complying superannuation schemes to which the Office contributes.

Martin Thompson
Auditor-General

14 August 2025



Audit mandate and standards applied

Mandate

Section 23 of the *Audit Act 2008* states that:

- (1) The Auditor-General may at any time carry out an examination or investigation for 1 or more of the following purposes:
 - (a) Examining the accounting and financial management information systems of the Treasurer, a State entity or a subsidiary of a State entity to determine their effectiveness in achieving or monitoring program results.
 - (b) Investigating any matter relating to the accounts of the Treasurer, a State entity or a subsidiary of a State entity.
 - (c) Investigating any matter relating to public money or other money, or to public property or other property.
 - (d) Examining the compliance of a State entity or a subsidiary of a State entity with written laws or its own internal policies.
 - (e) Examining the efficiency, effectiveness and economy of a State entity, a number of State entities, a part of a State entity or a subsidiary of a State entity.
 - (f) Examining the efficiency, effectiveness and economy with which a related entity of a State entity performs functions:
 - (i) on behalf of the State entity; or
 - (ii) in partnership or jointly with the State entity; or
 - (iii) as the delegate or agent of the State entity.
 - (g) Examining the performance and exercise of the Employer's functions and powers under the *State Service Act 2000*.
- (2) Any examination or investigation carried out by the Auditor-General under subsection (1) is to be carried out in accordance with the powers of this Act.

Standards applied

Section 31 specifies that:

- (1) The Auditor-General is to perform the audits required by this or any other Act in such a manner as the Auditor-General thinks fit having regard to –
 - (a) the character and effectiveness of the internal control and internal audit of the relevant State entity or audited subsidiary of a State entity; and
 - (b) the Australian Auditing and Assurance Standards.

Note: The auditing standards referred to are the Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board.

Schouten Island. Credit: Harrison Candlin, Vagary



Audit
Tasmania