



Australian Government
Auditing and Assurance Standards Board

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Melbourne VIC 8007

23 October 2013

Mr Steve Davies
Chair
Finance and Administration Committee
Parliament House
George Street
Brisbane QLD 4000

Email: fac@parliament.qld.gov.au

Dear Mr Davies,

**Finance and Administration Committee – Inquiry into the legislative arrangements
assuring the Queensland Auditor-General’s independence**

The Australian Auditing and Assurance Standards Board (AUASB) appreciates the opportunity to comment on the Finance and Administration Committee’s inquiry into the legislative arrangements assuring the Queensland Auditor-General’s independence.

As a general principle, we believe that it is important for auditors-general to have appropriate independence requirements enshrined in their enabling legislation. This should ensure that auditors-general and their authorised delegates are in a position to adhere to the highest standards of ethical behaviour, when conducting audits of entities under their mandated jurisdiction.

With regard to the specific provisions of the relevant legislation in Queensland, we would suggest that the Auditor-General should be also required, under s58 of the *Auditor-General Act 2009*, to *have regard to the requirements of the Auditing and Assurance Standards issued by the Australian Auditing and Assurance Standards Board*, when conducting financial audits, performance audits and compliance audits that fall within the scope of the Standards issued by the AUASB.

As auditor independence, along with audit quality, are topical issues currently being addressed by regulators and auditing standards-setters both internationally and locally, the AUASB commends the Parliamentary Committee for its inquiry into the legislative arrangements assuring the Queensland Auditor-General’s independence.

If you have queries regarding the above matters, please do not hesitate contact me at mkelsall@auasb.gov.au or on 03 8080 7445.

Yours sincerely,

Merran H. Kelsall
Chairman