

Northern Territory Auditor-General's Office

2025 Annual Report



Plan of Work

Northern Territory Auditor-General's Office

Level 9 | NT House, 22 Mitchell Street, Darwin

Mail: GPO Box 4594, DARWIN NT 0801

Telephone: +61 8 8999 7155

Email: nt.audit@nt.gov.au

Website: <https://ago.nt.gov.au/>



© 2025 Northern Territory of Australia (Northern Territory Auditor-General's Office).
This material may be reproduced in whole or in part provided the source is acknowledged.

Auditor-General's Reports can be accessed online at <https://ago.nt.gov.au/> or via
Library & Archives NT's digital repository *Territory Stories* at <https://territorystories.nt.gov.au/>

Front and back cover images: Parliament House, Darwin, Northern Territory
Courtesy of the Office of the Speaker of the Legislative Assembly.

ISSN: 1323-7128

At the Northern Territory Auditor-General's Office we
acknowledge the Aboriginal and Torres Strait Islander people
as the traditional Owners, Custodians of Country throughout
Australia and their connection to land, seas and community.

We pay our respects to their cultures,
and to their Elders past and present.



About this report

The overarching purpose of the annual report is to inform the Legislative Assembly and Territorians about the achievements, non-financial performance and financial position of the Northern Territory Auditor-General's Office for the year ended 30 June 2025.

As well as reporting on the performance for the past year, the report also looks to the years ahead.

The cost of preparing this report was nominal as it was prepared in-house with no marketing and minimal printing costs.

This report is not a report on the results of audits conducted. Outcomes and findings from audits and reviews are reported and tabled separately in Legislative Assembly.

We continually strive to improve what and how we communicate with our stakeholders. We invite you to provide feedback on this report via our email address *nt.audit@nt.gov.au*



**Northern Territory
Auditor-General's Office**

Level 9 | NT House
22 Mitchell Street
Darwin NT 0800
GPO Box 4594
Darwin NT 0801
E: nt.audit@nt.gov.au
T: +61 8 8999 7155

The Chief Minister

The Speaker of the Legislative Assembly

Parliament House
DARWIN NT 0800

Dear Chief Minister

Dear Speaker

Auditor-General's Office 2025 Annual Report and Plan of Work

It is my pleasure to submit to you and for presentation to the Legislative Assembly the annual report for the Northern Territory Auditor-General's Office for the year ended 30 June 2025 together with my plan of work for future years.

Jara K Dean
Auditor-General

30 September 2025



“One thing I learned over the years is the importance of being authentic and having the courage to do the right thing ... to have the confidence to do what you believe is right and to stand by those convictions, rather than to compromise or act against them, or to simply follow what others have done”

Jara Dean, Graduation Ceremony Occasional Address, Charles Darwin University, 17 September 2025

Auditor-General's Message

The 2025 annual report reflects the progress made by my Office over the last year and, in a break with tradition, sets out our focus for the years to come.

We saw many changes during 2024-25. The Territory election held in August last year resulted in twelve new members elected to the 25-seat Legislative Assembly. There was a sizeable public sector restructure which created six new government departments. And on 13 September 2024 I commenced my five-year term as the eleventh Auditor-General for the Northern Territory.

These events offered the opportunity to revisit and clarify the direction of my Office and to reset relationships with our key stakeholders: the Parliament, Parliamentary Committees and audit clients across the broader public sector.

I am mindful that the Auditor-General's primary relationship is with the Legislative Assembly. I now brief members and their staff on every report I table and provide detailed briefings to the Public Accounts Committee. It has been encouraging to see that some members have also taken up my offer to provide private briefings to seek clarification and advice.

The timing of the triennial strategic review could not have been better and helped us to set the plan for the next five years, ensuring that my Office remains a modern, sustainable and resilient audit practice.

Our plan of works is an ambitious plan that adds to our primary responsibility to audit financial reports. The delivery of the plan is contingent on being able to free up existing resources by changing our approach to financial audits.

While there is much work still to be done, I am pleased to report that we have seen a significant progress towards achieving our new strategic direction. The challenge in the coming year will be to position my Office to deliver the ambitious plan of work so that we support the role of Parliament in holding the Government and public sector to account for its performance.

I thank my staff and the staff of our audit service providers for helping me to deliver our audit program.

I also acknowledge the employees of our clients for their constructive engagement with my Office and their genuine desire to improve the performance of the public sector here in the Northern Territory, despite the many pressures and constraints they face.

Finally, I thank members of the Legislative Assembly for their interest in and support for the work my Office performs.

Jara K Dean
Auditor-General

Contents

About Us	11
Australasian Council of Auditors-General	19
Strategic Plan	21
The Year In Review	22
Summary	22
Financial audits	23
Non-financial audits	29
Reports to the Legislative Assembly	30
Strategic Review	31
Our People	35
Outsourcing Model	39
Corporate Governance and Risk Management	40
Gifts and Benefits	44
Financial Report	47
The Years Ahead	64
Financial audits	64
Non-financial audits	64
Performance Indicators	68
Appendix A	72
Appendix B	73

2025 Annual Report





26

Financial audit
opinions issued



18

End of year reviews
completed



21

Agency control
audits started



2

Performance
management review
audits completed



9

Public Information
Act referrals



Clean audit
opinion on
NTAGO's
financial report



3

Reports to the
Legislative
Assembly tabled



Operating within
budget

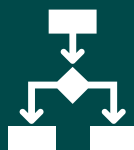


New Strategic
Plan 2025-2030



47

New authorised
auditors



Partial
restructure
implemented



Increased
gender diversity



Triennial
strategic review
completed



Signed MOU with
Public Accounts
Committee



New outcome
focussed KPIs

ABOUT US

Auditor-General

The Auditor-General is an independent statutory officer appointed under the *Audit Act 1995* by the Administrator of the Northern Territory, on recommendation of the Legislative Assembly.

The Auditor-General's primary relationship is with the Legislative Assembly.

The Auditor-General's role is to audit Territory public sector agencies and bodies to provide an independent view of their performance and financial management to the Legislative Assembly. This responsibility supports the Parliament's role as the representative of all Territorians.

Northern Territory Auditor-General's Office

The Northern Territory Auditor-General's Office, or NTAGO, supports the Auditor-General in discharging the Auditor-General's responsibilities under the Audit Act and other legislation.

NTAGO is a government agency and the Auditor-General is its Chief Executive Officer for the purposes of the *Financial Management Act 1995* and the *Public Sector Employment and Management Act 1993*.

NTAGO operates under an outsourcing model where all audits are managed internally but delivered using contracted auditors.

Since July 2015, NTAGO has a hybrid funding model where fees paid to contracted auditors for audits of statutory entities and grant acquittals are recharged to the audited entities.

Output appropriation is the only source of revenue to fund all remaining activities. These activities include audit work in government departments and agencies to support the audit of the Treasurer's Annual Financial Statement, performance management system audits, IT and compliance audits, preparing reports to the Legislative Assembly and all compliance and administration costs.

Figure 1 - Organisational structure of Auditor-General's Office at 30 June 2025



Audits we must do

Auditing financial reports is a mandated function of the Auditor-General.

Financial reports are the main way public sector entities report on their financial performance. Independent audits provide assurance on these financial reports; that they are fairly presented, that there are no material errors and that information in them can be relied on for decision making and to hold the executive government to account.

Specific requirements to audit public sector entities are contained in various acts and enabling legislation:

- **Statutory bodies, government owned corporations and government business divisions** are required by various acts of Parliament to prepare financial reports and to submit those reports to the Auditor-General for audit.
- **Proprietary limited companies.** A small number of Territory controlled entities are incorporated under the *Corporations Act 2001*. Audits of these companies are performed subject to the *Corporations Act 2001*, with the Auditor-General deemed to be a registered company auditor.
- **Agencies and government departments.** Section 11 of the *Financial Management Act 1995* provides for the Treasurer to determine the financial reporting and audit requirements of agencies.

Treasurer's Directions on Agency Reporting – Section R2.1: *Agency Financial Statements* requires government department and agencies to prepare financial statements, have the financial statements certified by their accountable officer (e.g. Chief Executive Officer) and Chief Finance Officer and include those financial statements in the annual report.

Agencies are not, however, required to submit their financial statements to the Auditor-General unless directed to do so by the Treasurer pursuant to section 11(3) of the *Financial Management Act 1995*. As no such direction has been given, financial statements of government departments and agencies are not independently audited.

- **Higher education sector.** Financial reporting and audit requirements of university, higher education and vocational education and training providers in the Northern Territory are governed by specific legislation. The *Charles Darwin University Act 2003*, the *Menzies School of Health Research Act 1985* and the *Batchelor Institute of Indigenous Tertiary Education Act 1999* require these entities to prepare financial statements and have them audited by the Auditor-General. Tertiary reporting cycle is a calendar year.
- **Local government councils** must prepare financial statements and have those financial statements audited by either the Auditor-General or a suitable auditor appointed by the council. Currently, the Auditor-General does not audit local government.



Audits we should do

Performance management system audits

The Audit Act gives the Auditor-General the power to conduct an audit of performance management systems of any Agency or other organisation within the Auditor-General's remit.

The objective of a performance management system audit includes determining whether the performance management systems enable the entity to assess whether its objectives are being achieved economically, efficiently and effectively.

Performance management system audits can assist accountable officers by identifying opportunities to enhance their ability to effectively monitor and manage the implementation of projects, programs and policies to ensure the intended outcomes are achieved.

Information technology audits not related to financial audits

Information technology audits may include non-financial systems that are of critical importance to the delivery of government services such as those related to health, justice and education.

Audits we may do

Acquittals

In addition to legislatively mandated audits, some grant programs or agreements, mainly those provided by the Australian Government, require the Auditor-General to undertake audits of grant acquittals and complete audit certifications.

Special audits

Under Section 14 of the Audit Act, the Chief Minister may, either generally or in relation to a specific aspect, by notice, direct the Auditor-General to carry out an audit of an agency.

While the Auditor-General must carry out the special audit, the Auditor-General is not subject to direction in relation to how the audit is to be performed or what is to be included, or not included, in a report. In simple terms, the Chief Minister can direct the Auditor-General to undertake an audit but cannot influence how the audit is conducted or the outcome of the audit.

Under Section 28 of the Audit Act, any minister can request the Auditor-General to carry out, at the Auditor-General's discretion, an audit of the accounts of an organisation in which the Territory, an Agency or a Territory controlled entity has an interest.

As an example, a minister could request the Auditor-General to audit an organisation that receives funding from the government or a Territory controlled entity. Such audits are commonly referred to as 'follow the dollar' audits. The Auditor-General can only undertake such audit where a minister arranges with the organisation for its accounts to be made available for the purpose; or where the Auditor-General makes such an arrangement with an organisation at the request of a minister. In simple terms, the Auditor-General can undertake a 'follow the dollar' audit but only if requested by a minister.

Furthermore, under section 46 of the *Government Owned Corporations Act 2001* the shareholding minister of a government owned corporation may request the Auditor-General to carry out an audit of the government owned corporation. The Auditor-General may agree or not to carry out the requested audit.

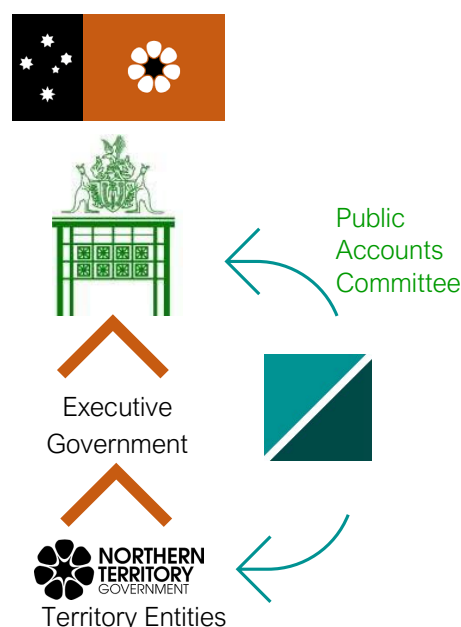
Our relationship with Parliament and Territory entities

The Auditor-General reports directly to Parliament and not the executive government like public sector agencies and bodies.

The Auditor-General's Office makes a key contribution to public accountability, serving as the external auditor of the executive government with a duty to report directly to Parliament on the performance and financial management of Territory entities. The Auditor-General's role as Parliament's auditor is unique.

The Public Accounts Committee and the Auditor-General signed a Memorandum of Understanding on 19 March 2025, recognising the common mission of promoting accountability and transparency across Territory entities.

Figure 2: NTAGO's relationship with Parliament and Territory entities



How we report

We understand and recognise the importance of effective communication in an audit as one way of developing a constructive working relationship. This relationship is developed while maintaining the auditor's independence and objectivity.

Independent auditor's reports

The auditor's report contains the auditor's opinion on the subject of the audit or reviews, for example the financial report, in addition to a range of other information to explain the context in which that opinion has been reached.

Auditor's report is part of the financial report.

There are two overarching categories of audit opinion, an unmodified audit opinion (sometimes referred to as a 'clean' opinion) and a modified audit opinion.



Reports to those charged with governance

The auditing standards require that 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 audits.

Reports to the Legislative Assembly

The Auditor-General is required to report to the Legislative Assembly at least once each year on any matters arising from the exercise of the auditing powers under the Audit Act.

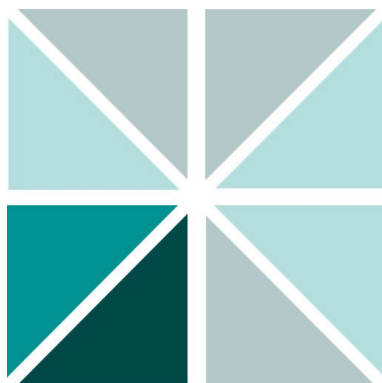
Reports to the Legislative Assembly, together with management letters provided to the audited entities should be recognised as a useful source of independent analysis of both financial and non-financial information, and of the systems and controls underpinning the delivery of that information.

We have implemented a new structure and format for our reports to Parliament and will continue to improve their clarity and readability. We structure our reports so that readers can only read summary information, or more in-depth detail.

Our new look

The relationship between Parliament and the Auditor-General is essential in achieving public accountability, a fundamental component of a functioning democracy.

This close connection of the Auditor-General to Parliament and ultimately the community is reflected in NTAGO's new logo.



The logo symbolises a petal on the Sturt's desert rose, the floral emblem of the Northern Territory and a prominent feature throughout the Parliament House.

The deliberate use of triangles signifies that all audit engagements have three separate parties: the responsible party (the public sector and the government), the intended users (Parliament and the community) and the independent auditor (Auditor-General).

The concept of independence, both actual and perceived is the most important principle underpinning the role of the Auditor-General. It was important that the logo was distinguishable from the Northern Territory Government branding and other symbols used widely by the government, such as the Northern Territory Government crest.



INTERNAL MINUTE FORM

E.S. 4/12
758.0115

Maildex No.

To

OPTION 3

Salaries & Expenses
Admin Expenses.
Capital Expenses
Property Management

Establishment Cost
Financial year 81/82
(Includes Salaries
and PM)

Salaries & Expense
19 Staff

Admin Expenses
Capital Expenses

Property Management
(8,000 hrs Fees for Private
Sector Audit)

Establishment
(Salaries, Admin
Exp.)

489,000

~~91,000~~
~~329,000~~
~~89,000~~
~~3,000~~

8,000

25,000
240,000

50

INTERNAL MINUTE FORM

E.S. 4/12
758.0115

File No.

Folio No.

532,000

THE NORTHERN TERRITORY OF AUSTRALIA

CONFIDENTIAL

CABINET DECISION
NO. 2117

Copy No. 13 98

Submission No.:
Title:

1790

ARRANGEMENTS FOR AUDIT OF PUBLIC SECTOR ACTIVITIES
IN THE NORTHERN TERRITORY.

Cabinet approved :-

- a) the acceptance by the Northern Territory Government from the Commonwealth of public sector audit functions and responsibilities;
- b) the establishment of audit arrangements for public sector audit which permit maximum involvement of private accounting and audit firms in the conduct of audit tasks;
- c) the establishment of an Office of the Northern Territory Auditor-General, comprising an Auditor-General and not more than 7 supporting staff to control the total audit of Territory Government operations by the private sector;
- d) the following principles to be adopted by the Auditor-General for the conduct of audits:
 - i) the Auditor-General shall retain full control of the audit programme and the planning of its implementation;
 - ii) the Auditor-General shall retain full control of operating functions;
 - iii) subject to his discretion, the Auditor-General shall retain full performance, all sector or

275,000

~~59,000~~
~~168,000~~
62,000

8,000

17,000
600,000

\$ 966,000
962,000

\$ 79,000

14,000

\$ 21

\$ 100
114

Establishment Expenses
(Salaries, Capital Items,
Admin & Property)
Furniture & Fittings
Contingency

Our history

At the time of self-government, an arrangement for audits required under the then *Financial Administration and Audit Act 1979* was agreed between the Northern Territory Government and the Commonwealth Auditor-General.

In 1981, following a review of Commonwealth functions, it was decided to discontinue the provision of audit services by the Commonwealth Auditor-General and for the Territory to appoint its own Auditor-General. The government desired to promote private enterprise in the Territory and the then Chief Minister, the Hon. Paul Everingham MLA, received a very keen response from local firms to his proposal of involving the private sector in setting up the audit office.

Apart from the currently used outsourced model, other options considered at that time included for all audits to be carried out by the office's own employees and a co-sourced model. Ultimately, it was decided to establish the office in such a way that it would direct and control the audit of Northern Territory Government operations (excluding local government) by private sector auditors. Surprisingly, the outsourced model was not the cheapest option but its cost was assessed to be "... within reasonable limits of the costs of other options..." and compared "favourably" with a projected payment to the Commonwealth for audit services that year.

As Auditor-General Designate, Graham Carpenter - himself a former partner in a chartered accounts firm in Alice Springs - was instrumental in setting up the administration and audit direction for the new audit office and developing the outsourcing model for accessing audit services in the Northern Territory which is still in use today.

Mr Carpenter commenced as the first Northern Territory Auditor-General on 1 July 1982.

The *Financial Administration and Audit Act 1979* was repealed in 1995 and replaced by two separate pieces of legislation: the *Financial Management Act 1995* and the *Audit Act 1995*.

The separation of the audit function better enabled the Auditor-General's independence. With the introduction of the Audit Act in 1995, the term of appointment was limited to a single term of seven years.

A review of the Audit Act in 2011 saw a change to the term of appointment from seven years to two possible terms not exceeding five years each.

Further revisions in 2019 changed the process for appointing the Auditor-General is to occur and fixed the term of appointment to two terms of five years.

Figure 3: Previous NTAGO Auditors-General

Period	Auditor-General
1978-1981	D.R. Steele Craik
1981-1982	K.F. Brigden
1982-1984	G.J. Carpenter
1984-1994	E. Isaacson
1994-2002	I. Summers
2002	O. Alder (Acting)
2002-2004	H.M. Blake
2004	K. Simpson (Acting)
2004-2014	F.G. McGuiness
2014-2024	J.C. Crisp
2024-present	J.K. Dean

Public Accounts Committee

The Public Accounts Committee is appointed at the commencement of each Legislative Assembly in accordance with Standing Order 177.

The Auditor-General signed a memorandum of understanding with the Public Accounts Committee.

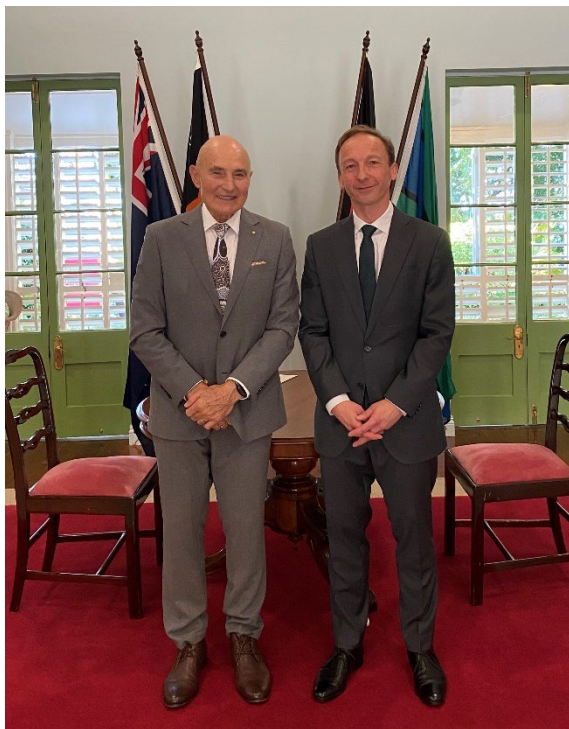
The memorandum of understanding provides an avenue for the Auditor-General to bring matters to the attention of the Public Accounts Committee that in the Auditor-General's view warrant consideration.

Similarly, the Public Accounts Committee may bring matters to the attention of the Auditor-General.



The memorandum also further enhances the accountability of the Auditor-General by:

- requiring the Auditor-General to seek input from the Public Accounts Committee into the annual audit work program
- reporting Auditor-General's expenses and gifts and benefits offered
- providing a declaration of Auditor-General's interests.



Appointment

The Auditor-General is appointed by the Administrator on the recommendation of the Legislative Assembly.

The selection process follows the *Protocol for the appointment of statutory officers under the Northern Territory Integrity Framework*.

Jara Dean was sworn in by His Honour Professor the Honourable Hugh Heggie AO PSM, Administrator of the Northern Territory at the Government House on 11 June 2024.



AUSTRALASIAN COUNCIL OF AUDITORS-GENERAL

NTAGO is a member of the Australasian Council of Auditors-General (ACAG).

ACAG was established by Auditors-General over 60 years ago to share information between members, to contribute to the development of accounting and auditing standards and to provide opportunities for audit offices to improve their own effectiveness and efficiencies through quality assurance peer review program, benchmarking surveys or targeted reviews of functions and operations.

Members include audit offices of all Australian States and Territories, the Australian National Audit Office as well as audit offices of New Zealand, Fiji and Papua New Guinea. ACAG is funded by its members, with each audit office contributing proportionally to the cost. NTAGO's contribution is 3.8%.

ACAG members meet face-to-face at least twice each year.

October 2024 meeting was held in Port Moresby at the invitation of the Papua New Guinea Auditor-General to commemorate 50 years of Papua New Guinea independence. The meeting in Papua New Guinea was the first meeting held in the region.



April 2025 meeting was held in Perth alongside the International Meeting of Performance Audit Critical Thinkers (IMPACT) Conference organised by ACAG and the Office of the Auditor General for Western Australia.



Our mission is to help Parliament to hold Government accountable for its use of public resources by providing independent audits



STRATEGIC PLAN

Objectives	Risks	Focus Areas	Priority Actions	Outcomes
Drive change for better We audit things that matter. Parliament and public sector understand the implications of audit findings and take action to address.	Our audits lack relevance, are not timely, not valued and overall do not result in a demonstrable improvement in public administration.	Make an impact	- Use our mandate to its full potential - Refine our reports so they are more accessible and understandable - Share knowledge and expertise within the NTAGO, across the public sector and the audit profession - Consult with the public sector and Public Accounts Committee in the development of the annual plan of work	Territorians are better informed and have trust and confidence in the public sector
Build trust We proactively engage with stakeholders. Our stakeholders trust and value our services and insights.	Our relationships with stakeholders are not productive or our audits are not defensible, both resulting in lost credibility, trust and confidence.	Proactive engagement	- Implement new ways of reaching out to the public - Increase engagement with Parliament and the public sector - Promote greater awareness of our work and advocate for better reporting - Maintain compliant audit methodologies that enhance audit impact and integrity	Parliament provides effective scrutiny of the public sector
Develop and enable our people Our team (including audit service providers) have the skills and capability to deliver reliable contemporary services.	We (including audit service providers) do not attract and retain the right people to develop or access required capabilities.	Skilled, capable and engaged workforce	- Review future skills and capability requirements and plan for future workforce needs - Address workload and the risk of dependence on key people - Broaden the appeal of the NTAGO and audit profession - Consider allocation of responsibility and authority - Promote and support cross-sector experiences and networking opportunities	Accountable and capable public sector
Deliver value for money services Our internal systems, structures and processes support the efficient, effective and economic delivery of our work.	We do not adapt our service delivery model resulting in inefficiencies, reputational loss and inability to invest in people and contemporary tools.	Fit-for-purpose systems and processes	- Review work allocation within the NTAGO and externally, utilising shared service offerings where appropriate - Implement modern, secure and resilient information systems - Continuously refine our audit delivery models - Streamline our processes	We secure our future

The *2025-2030 Strategic Plan* is structured around four key strategic objectives:

- Change
- Trust
- People
- Value for Money.

Focus areas and priority actions under each of the four strategic objectives reflect the immediate initiatives which address recommendations from the 2024 strategic review.

The strategic plan is a roadmap that charts our journey towards the long-term vision of an accountable, transparent and capable public sector.

The plan is a result of stakeholder engagements and input from staff and was unveiled on 13 February 2025.

This was the same day the independent strategic review of the Northern Territory Auditor-General's Office was tabled in the Legislative Assembly.



THE YEAR IN REVIEW

Summary

NTAGO operated within its budget, achieving a small operating surplus for year of \$66,000 primarily due to unfilled positions during the year. Detailed financial analysis is included in the Financial Report section of the annual report.

In 2024-25 NTAGO had 47 audit clients (refer to Appendix A for a full list), which was five more than in the previous year. There were six new government departments created as part of the public sector restructure following the 2024 Territory election, while Bridging the Gap Foundation was wound up.

We break audit engagements into components or tasks. In 2024-25 we commenced 126 new tasks across government departments, agencies and other public sector entities. Three agencies were removed from the 2025 assurance program due to budget constraints:

- Aboriginal Areas Protection Authority
- Northern Territory Electoral Commission
- Ombudsman's Office.

Of the 126 tasks, ten were performed by NTAGO's own staff and therefore the costs associated with those engagements are reported within employee expenses. NTAGO paid \$4.640 million to private sector audit firms to undertake the remaining tasks.

Tasks associated with information technology audits, performance management system audits, agency compliance and controls audits and end of year reviews conducted across the government departments and agencies and the audits of the Treasurer's Annual Financial Statement and the Northern Territory Police Supplementary Scheme are funded through appropriation. Where these audits incur additional fees, NTAGO must reduce elements of the audit program to remain within budget.

Figure 4: Average cost of audit tasks

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total cost of audits	\$3.890m	\$3.699m	\$4.145m	\$3.939m	\$3.770m	\$4.065m	\$4.548m	\$4.640m
Number of audit tasks	136	136	139	125	120	113	111	126
Less in-house audit tasks	(7)	(12)	(8)	(8)	(3)	(6)	(3)	(10)
Outsourced audit tasks	129	124	131	117	117	107	108	116
Average cost per task	\$30,155	\$29,831	\$31,640	\$33,670	\$32,224	\$37,995	\$42,107	\$39,996



The above table demonstrates that the number of audit tasks has been reducing over the years as the cost of audits continues to grow. The 2024-25 average has decreased due to a higher number of government departments together with a reduction in performance management system audits, which generally incur a higher cost.

The increase in average cost across previous years is the result of higher charge-out rates paid to private sector audit firms, the use of more experienced auditors to understand and test increasingly complex accounting estimates prepared by audited entities, increased time required to respond to new financial reporting and additional auditing standard requirements, and, in some instances, more time spent because entities are not adequately prepared for audits and need to amend and resubmit information provided for audit.

For the financial years 2020-21 to 2023-24, the reduction in the audit program has largely been contained to reducing the number of performance management system audits and removing elements of agency compliance audits and end of year reviews that do not have a direct correlation to the financial balances reported in the Treasurer's Annual Financial Statement. In 2024-25, the audit program was reduced even further to exclude agencies which were considered both low risk and immaterial for the purpose of the audit of the consolidated Treasurer's Annual Financial Statement.

Financial audits

Overview

A core responsibility of the Auditor-General is to audit the financial statements of public sector entities. In our context, financial or attest audits include the following types of engagements:

Figure 5: Number of engagements completed in 2024-25

Statutory financial statements audits	↗	25
Treasurer's Annual Financial Statement	↔	1
End of year reviews	↔	18
Special purpose financial report audits	↔	2
Acquittals	↗	6
Disaster Recovery Funding Arrangements audit	↗	1

In 12 months to June 2025, we have completed 25 audits of financial reports, the audit of the Treasurer's Annual Financial Statement, two audits of special purpose financial reports, six financial acquittal audits and the audit of the Territory claim under the Australian Government's Disaster Recovery Funding Arrangements.

We have also issued 18 end of year review opinions on annual financial statements of government department and agencies.

The total cost related to undertaking financial, or attest audits for 2024-25 was \$4.542 million, an increase of \$0.297 million from \$4.245 million in 2023-24. This cost does not include the cost of oversight and contract management of outsourced audits by NTAGO staff.

Audit engagements are broken into components or tasks. In 2024-25, we saw an increase in our audit activity following the restructure of the public sector after the 2024 Territory election. The number of tasks increased from 101 in 2023-24 to 116 in 2024-25, which reflected an increase in the number of public sector entities from 42 to 47. Audits attesting to the compliance of government departments contributed to approximately half of the \$0.297 million increase in audit costs.

A full list of audited entities and audit tasks is included in Appendix B.

A financial statements audit may comprise multiple tasks - an interim audit, a final audit and interim and final IT support audits. Audit activities in government departments may include a controls and compliance audit, a controls top-up audit to ensure coverage over the entire 12 months period and an end of year review to support the audit of the Treasurer's Annual Financial Statement.

The cost of financial audits over the past 4 years has been on the rise as a combination of the cost of delivering the audit program and a reprioritisation of the budget towards attest audits to satisfy the audit mandate.

Figure 6: Total annual cost of attest audits

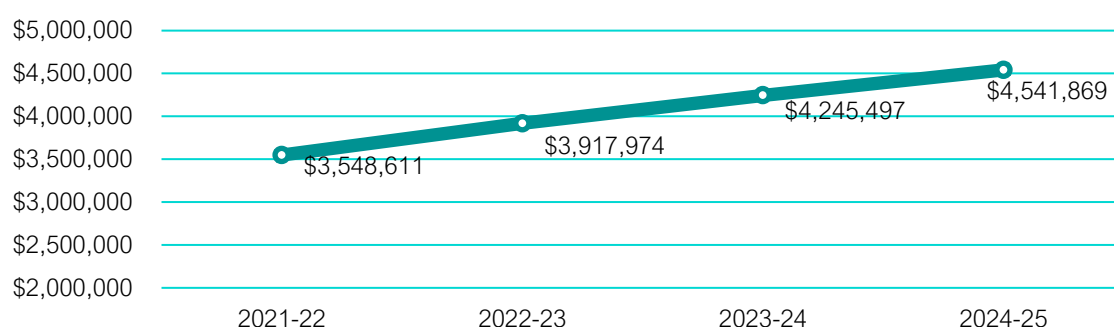


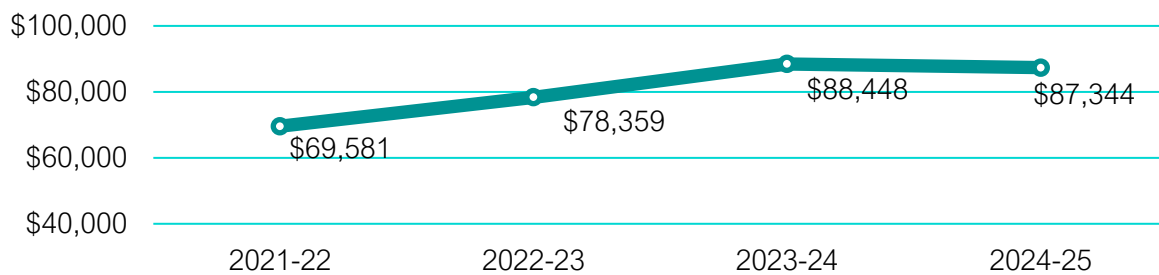
Figure 6 illustrates the increase in fees paid to private sector audit firms, which saw an overall increase over 25 per cent since 2021. In comparison, appropriation funding increased by less than 1 per cent over the same period. The ability to deliver the assurance program is constrained by the resources made available through appropriation. Three agencies were removed from the assurance program for the year ending 30 June 2025 due to budget constraints following the restructuring of the public service.

The primary purpose of the audit work carried out in government departments and agencies is to support the audit of the consolidated Treasurer's Annual Financial Statement. The creation of six additional government departments significantly increased the workload and the cost of auditing controls over reporting, accounting and material financial transactions and balances across government agencies that make up the General Government Sector.

The average cost of a financial audit, i.e. the average cost of an audit or review opinion was \$87,344 in 2024-25.



Figure 7: Average cost per attest audit or review opinion



As shown in Figure 7 above, the average cost per audit opinion was 1 percent lower in 2024-25, which was due to a larger number of smaller and less complex financial audits completed during the year, which skewed the measure.

If we include expenses associated with oversight and contract management, the average cost increases to \$131,981 which is not far from to the average cost of financial audits across other states and the Australian National Audit Office at \$133,913.

Financial audit fees vary from entity to entity and will depend on an entity's risk profile, financial reporting framework and the audit effort involved. In our case, audit fees are also impacted by hourly rates charged by contracted audit firms. Blended hourly rates, i.e. averaged rates that combine the billing rates of different staff members for a financial audit can vary between \$170 to \$260. This means, that under the current model, the cost of a financial statement audit can vary up to 50% depending on which private sector firm undertakes the engagement. The blended rate for IT and actuarial experts can be up to \$700 per hour.

The cost per audit hour charged to financial audits has been steadily increasing since 2020-21 across audit office other states and the Australian National Audit Office from \$169 per hour to \$212 per hour. NTAGO's cost is significantly higher at \$339 per hour.

The cost of audits to the Northern Territory as a proportion of public sector assets is the second highest at 19 cents per \$1,000 of public sector assets. The average across other states and the Australian National Audit Office is 13 cents. However, when measured against public sector transactions, NTAGO's cost is at 33 cents and is comparable to the same average cost of all other states and the Australian National Audit Office. The number of audits issued by NTAGO is lowest of all audit offices, including the Australian Capital Territory. This is because government departments are not required to have their financial statements independently audited.

Statutory financial statements audits

Statutory audits of financial statements are conducted on the full financial reports of Government Business Divisions, Government Owned Corporations and other government-controlled entities that prepare statutory financial statements in accordance with legislation including the *Financial Management Act 1995*, *Government Owned Corporations Act 2014*, the *Commonwealth Corporations Act 2001* or their enabling legislation.

The following is a list of financial statements audits completed during the year and relating to reporting periods which ended 30 June 2024 and 31 December 2024:

Batchelor Institute of Indigenous Tertiary Education
Board of the Museum and Art Gallery of the Northern Territory
Charles Darwin University
Cobourg Peninsula Sanctuary and Marine Park Board[^]
Darwin Waterfront Corporation
Data Centre Services
Desert Knowledge Australia
Indigenous Essential Services Pty Ltd
Land Development Corporation
Menzies School of Health Research
Motor Accidents (Compensation) Commission
Nitmiluk (Katherine Gorge) National Park Board
Northern Territory Legal Aid Commission
Northern Territory Major Events Company Pty Ltd
Northern Territory Police Supplementary Benefit Scheme
Northern Territory Treasury Corporation
NT Build
NT Fleet
NT Home Ownership
Office of the Public Trustee for the Northern Territory^{^^}
Power and Water Corporation
Power Generation Corporation (trading as Territory Generation)
Power Retail Corporation (trading as Jacana Energy)
Territory Wildlife Parks

[^] Included the audit of the financial report for the year ended 30 June 2023

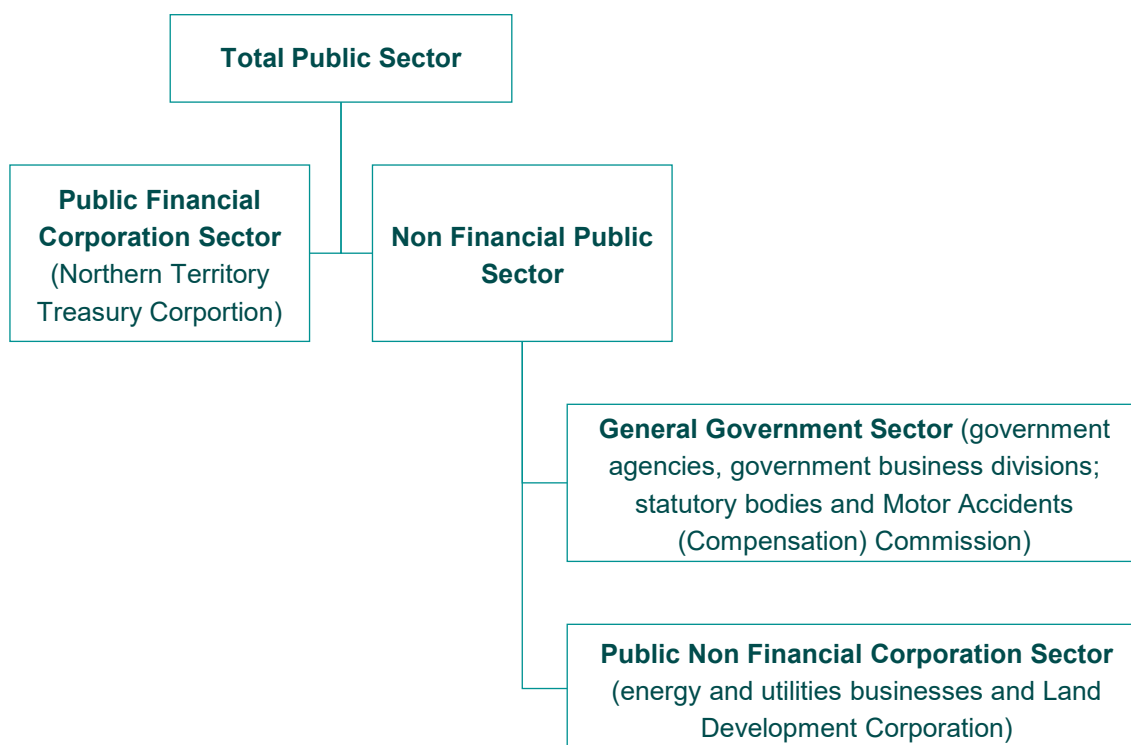
^{^^} The audit is limited to the audit of financial statements of common funds

Treasurer's Annual Financial Statement

The Treasurer is required to prepare the Treasurer's Annual Financial Statement (TAFS) under section 9 of the *Financial Management Act 1995*. The Auditor-General is required to audit the TAFS under section 25 of the *Audit Act 1995*. In addition, the Auditor-General is also required to audit the Public Account under section 13(1) of the *Audit Act*. Although the Auditor-General does not issue a separate audit opinion on the Public Account, receipts and payments pertaining to the Central Holding Authority, which is part of the Public Account, are audited as part of the TAFS audit. TAFS consolidates the transactions and balances of government-controlled entities into their respective sectors as shown in Figure 8.



Figure 8: TAFS Composition, including reporting entities



As mentioned previously, agencies including government departments, are not required to have their financial statements included. Instead, agencies have historically been subject to compliance or control audits and end of year reviews to assist with the audit of the consolidated TAFS.

The audit of the TAFS is a group audit, where each Territory controlled entity is a component of the group. The objective of a group audit is the same as of an audit of a single entity, i.e. to ensure that the consolidated financial statements present fairly, in all material respects, the financial position, performance, and cash flows of the entire group, or in this case the entire sector.

Information technology (IT) audits

IT audits are undertaken as stand-alone audits of key agency or across-government systems. Each of the systems selected for audit plays an important role in processing data and providing information for the purposes of financial management and financial reporting.

A number of IT systems are audited specifically to provide assurance on the completeness and accuracy of information used for the purposes of financial reporting and the preparation of the Treasurer's Annual Financial Statement:

- IT control environment (GAS, PIPS, PAPMS, NAB Connect)
- APEX
- Operations and service management
- Systems change control
- Third Party Risk Management

- Data Centre Physical and Environmental Security
- Common Infrastructure for key financial systems

End of year reviews

End of year reviews provide an audit focus on year end balances in government departments. The nature of the review is determined annually whilst planning the audit of the Treasurer's Annual Financial Statement but includes testing of transactions occurring around year end to provide a degree of confidence about the data provided to Treasury which will form part of the overall reporting on the Public Account.

Controls and compliance audits

Controls and compliance audits are conducted of selected systems or accounting processes to determine whether the systems and processes achieve compliance with legislated or otherwise mandated requirements. These audits provide assurance that adequate financial and governance controls are designed, implemented and operating effectively across government.

Controls and compliance audits can assist accountable officers by identifying weaknesses in financial and governance processes and controls that, if left unaddressed, may contribute to regulatory non-compliance, financial mismanagement or inefficient operations, or the realisation of other risks to the agency.

However, the main purpose of controls and compliance audits is to contribute to the audit of the Public Account.

Special purpose financial report audits

The Auditor-General is required to audit:

- the Northern Territory State Pool Account under the *National Health Funding Pool and Administration (National Uniform Legislation) Act 2012*
- the Northern Territory Regional Health Services acquittal of funding under the *Health Services Act 2021*.

Acquittals

In addition to legislatively mandated audits, some programs or grant agreements, mainly those provided by the Federal Government, require the Auditor-General to undertake audits of grant acquittals and complete audit certifications.

In 2025, we completed the following acquittals:

- Department of Logistics and Infrastructure – Black Spot Program
- Department of Logistics and Infrastructure – Infrastructure Investment Program
- Department of Logistics and Infrastructure – Local Roads and Community Infrastructure Program
- Department of Logistics and Infrastructure – Roads to Recovery



- Department of the Chief Minister and Cabinet – Local Government Financial Assistance
- Charles Darwin University - Higher Education Research Data Collection return

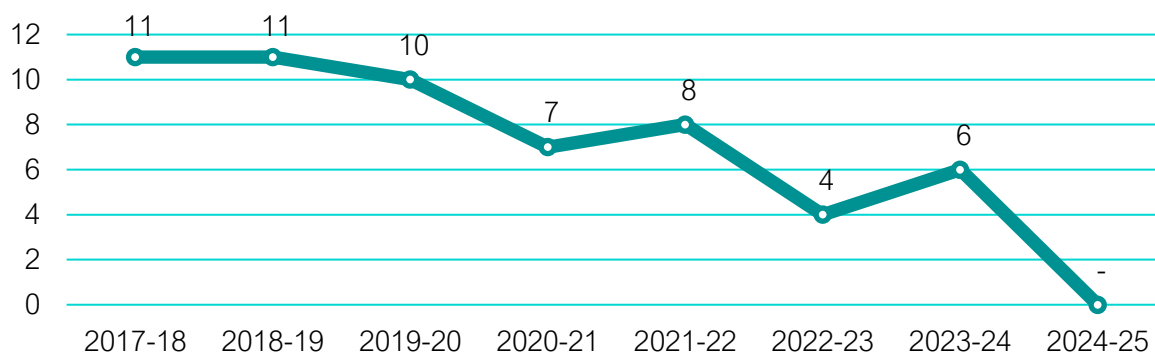
Non-financial audits

Overview

We have completed and reported on two performance management system audits during the year ended 30 June 2025:

- Accounting for assets on leased land
- Achievement of objectives for grant activities.

Figure 9: Number of new performance management system audits



The number of performance management system audits has been declining over the years and no new performance management system audits commenced in 2024-25 due to budgetary constraints. The past five years have seen a significant reduction in the audit program and audit coverage to keep within budget.

There were three non-financial audits which commenced prior to 30 June 2025 but were not completed by that date:

- Manual Payroll Calculations
- Effectiveness of Internal Audit and Audit Committees
- Police System Replacement Project.

The number of performance management system and other non-financial audits completed by NTAGO is well below other audit offices.

Public information referrals

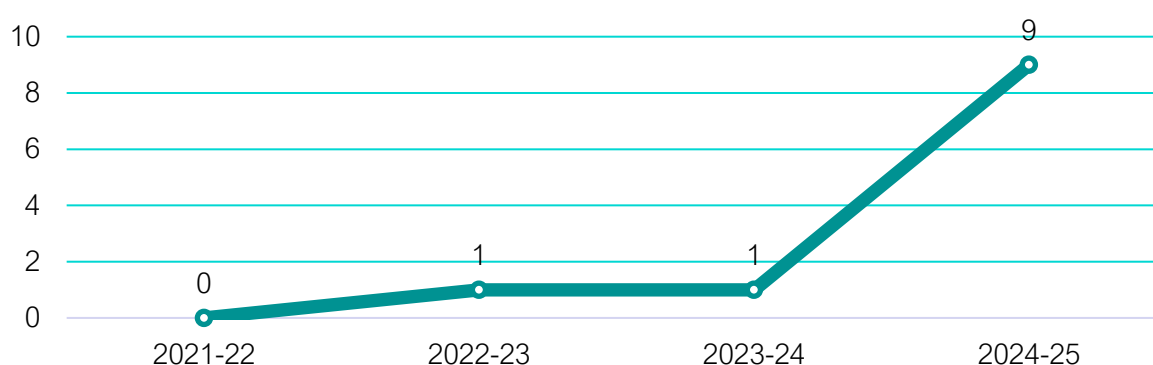
The Auditor-General performed the oversight function under the *Public Information Act 2010* during 2024-25. That function was transferred to the Ombudsman effective from 11 August 2025.

During the year, we reviewed and reported on the following Public Information Act referrals:

- Digital Health System Replacement Cost

- Invitation to Lunar New Year Celebrations
- Poster in the Ministerial Wing of Parliament House
- Territory Coordinator Radio Advertisement
- New Homes Grants – Facebook Posts
- Curfew Laws.

Figure 10: Number of Public Information Act referrals



Reviews of 19 social media posts made by three opposition members and a crossbencher were largely completed and draft reports provided to interested parties prior to 30 June 2025. The Auditor-General reported outcomes of his reviews on 29 July 2025. All referrals received by NTAGO under section 6(1)(a) of the Public Information Act were closed and there were no active referrals pending review at the time the review function was transferred to the Ombudsman.

Reports to the Legislative Assembly

The Audit Act requires the Auditor-General to report to the Legislative Assembly at least once every year.

Each report (available online on the publications page of NTAGO's webpage) may contain findings from financial statements audits, information technology audits, controls and compliance audits, performance management system audits and any special reviews conducted. Material is included depending on when each audit is completed. Results of reviews of public information under the *Public Information Act 2010* are reported when the reviews are concluded.

During 2024-25 financial year the following reports were tabled in the Legislative Assembly:

Report topics	Month tabled
Report 1 included information on all the audits and reviews completed from the previous report tabled in May 2024	November 2024
Report 2 on the review of the Territory Coordinator Radio Advertisement under the <i>Public Information Act 2010</i>	February 2025
Report 3 on reviews of public information under the <i>Public Information Act 2010</i>	March 2025



STRATEGIC REVIEW

Introduction

Section 26 of the *Audit Act 1995* requires the conduct of a strategic review of NTAGO not less than once every three years. The Audit Act requires consultation with the Public Accounts Committee and the Auditor-General regarding the draft terms of reference and the reviewer proposed for appointment. The Administrator of the Northern Territory sets the terms of reference, appoints the reviewer and determines remuneration and other conditions of appointment.

On completing the review, the reviewer must give their report to the Chief Minister and the Auditor-General. The Chief Minister must table the report in the Legislative Assembly.

2024 strategic review

The period covered by the 2024 strategic review was since the review in 2021 up to 12 September 2024 when outgoing Auditor-General Julie Crisp completed her term. The review was completed on 20 November 2024. The Chief Minister tabled the report on the review in the Legislative Assembly on 13 February 2025.

The review was conducted by Mr Mike Blake, who also undertook the 2018 review. Mr Blake was Tasmanian Auditor-General for almost 12 years concluding in March 2016 prior to which he was Auditor-General for the Northern Territory between 2002 and 2004. Mr Blake served for six years on each of the Australian Auditing and Assurance Standards Board, the Australian Accounting Standards Board and the International Public Sector Accounting Standards Board.

Summary of the review

The review concluded that over the past three years since the last review, NTAGO has served well in supporting the former Auditor-General in discharging her responsibilities.

However, most importantly the review identified several risks that could affect NTAGO's ability to adequately support the Auditor-General's role going forward, some of which were raised in previous reviews and some of which are new.

The risks identified by the review are grouped into the following categories:

- threats to the Auditor-General's independence
- funding pressures
- key person dependency and succession planning
- outdated in-house built system to manage outsourced audits.

The review made 19 recommendations, 17 of which require consideration by the Government and the Legislative Assembly. The remaining two recommendations were addressed to the Auditor-General and are in the process of being implemented.

The Auditor-General accepted the two recommendations addressed to him in his response to the review on 15 November 2024. The Chief Minister did not respond to the review.

Threats to the Auditor-General's independence

The former Commonwealth Auditor-General, Mr Ian McPhee¹ said:

“At the heart of the effectiveness of the role of the Auditor-General is the legislative mandate that provides for the charter and independence of the office, and the powers to be able to obtain access to government information and report independently to the Parliament.”

The Northern Territory has consistently scored the lowest amongst all States and Territories in surveys of audit legislation commissioned by the Australasian Council of Auditors General². The latest survey from 2020 noted that the Northern Territory Auditor-General “... continues to be the most vulnerable to Executive influence of all the jurisdictions surveyed.” The survey is commissioned by ACAG every five years and Deakin University has been engaged to undertake a full review in 2025.

Funding pressures

The review noted that NTAGO operates under an outsourcing model where all audits are managed internally but delivered using contracted auditors. NTAGO supervises the contracted firms and the Auditor-General retains responsibility for the audit opinions. This model is unique to the Northern Territory and while audit offices in other jurisdictions also utilise private sector firms to deliver audits, most of their financial statements audits and generally all performance audits are performed in-house.

Most of the NTAGO's costs are for fees paid to contracted auditors. Employee costs, including the Auditor-General's salary represent around 20 per cent of operating cost. This is unusual for a government agency, where employee costs represent the majority of operating expenditure. Fees paid to private sector audit firms increased by almost 25 per cent since 2021 but the NTAGO's funding increased by less than 1 per cent over the same period.

The increase in audit costs is a combination of additional statutory requirements because of new or revised accounting and auditing standards, machinery of government changes and increased staffing and operating costs reflected in the rates charged by private sector firms.

The review noted that “arrangements with contracted audited services are efficient but funding these is now problematic to the extent that the Auditor-General's audit program may be compromised very potentially leading to a less informed Assembly about the activities of agencies and the public sector more generally.”

¹ Ian McPhee 'The Evolving Role and Mandate of the Australian National Audit Office Since Federation'; Papers on Parliament No. 57, February 2012

² The Australasian Council of Auditors-General (ACAG) is an association established by Auditors-General for the sharing of information and intelligence between Auditors-General across Australia, New Zealand and the Pacific



Key person dependency and succession planning

The review noted that the staffing and organisational structure of NTAGO has worked for many years and called on the Government to support the Auditor-General in carrying out a comprehensive organisational structure review.

Consecutive reviews identified key person dependency and succession planning as a risk that need addressing.

Following the retirement of a long-serving senior employee, the NTAGO underwent a partial restructure which included replacing the executive contract officer role with two less senior positions and redesigning the duties and responsibilities of administration staff.

Outdated in-house built system to manage outsourced audits

The NTAGO relies on an in-house built database and spreadsheets to manage the outsourcing of audits. The database is a critical system for NTAGO. It provides functionality for across-government and service provider email communications, retains a history of audit findings, maintains a comprehensive register of Authorised Auditors as well as recording and reporting on all aspects of the audit program, including budget, actual costs, work-in-progress and audit contacts.

The database was developed and maintained by one staff member, giving rise to key staff dependency. In fact, the risk became reality when the employee retired recently.

NTAGO investigated several options for replacing the database but will not be able to implement a new system without additional funding.

Auditor-General's overview

Looking back at the past three years, NTAGO performed well in assisting the previous Auditor-General to meet the legislative requirements of the position. However, staffing, organisational structure and the model under which NTAGO has been operating for decades are not fit going forward.

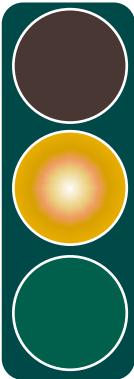
Recommendations made by previous reviews have not been addressed and the identified risks are now becoming reality:

- ever growing budget risks
- NTAGO being unable to suitably support the Auditor-General
- compromises in the audit program leading to ineffective auditing of the public sector and a less informed Assembly about the performance of the sector
- foregoing audits altogether or reducing the scope of audit work or fewer performance management system audits.

The actions taken since October 2024 should demonstrate the commitment, at least on the part of the Auditor-General, to address these challenges. These actions include changes to NTAGO's internal processes, a partial restructure funded from the existing budget and revenue measures aimed at the recovery of audit overruns from agencies and agreeing to undertake additional work, leading to removing duplication and saving in agencies.

Update on progress of recommendations specific to NTAGO

The two recommendations specific to NTAGO were accepted by the Auditor-General and are in the process of being implemented. The status of their implementation is detailed below:

Recommendation		Status
That consideration be given to trialing the introduction of audit planning memorandums and completion memorandums for selected significant audit clients and or selected PMS audits.		NTAGO is committed to improving the way it engages with its audit clients, including introducing audit planning and completion memorandums in phases. In 2024-25, NTAGO presented audit planning memorandums, which outlined among other things an overview of the planned scope, significant audit risks and planned responses to those risks and the timing of audit work to audit committees or boards of 10 audit clients.
That the Auditor-General and NTAGO explore opportunities for enhanced support from the Department of Corporate and Digital Development (DCDD) under a shared services agreement but ensuring no risk to independence.		NTAGO met with the executive team of the DCDD to better understand which functions, that are currently performed in-house, could be performed by the DCDD. NTAGO is now making complete and effective use of accounts payable services and has transferred the management of its website to DCDD.



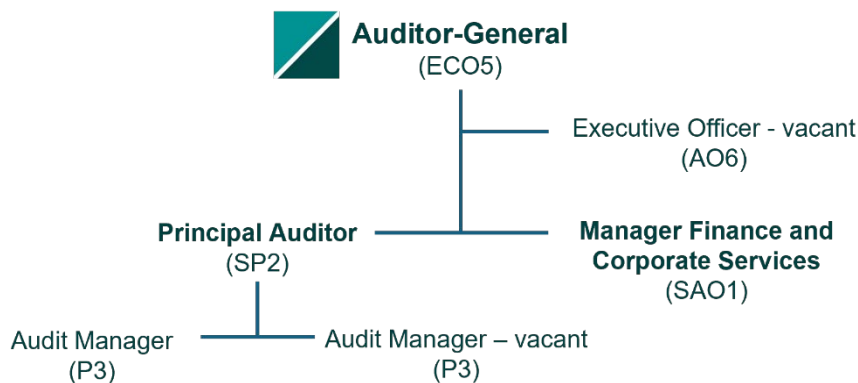
OUR PEOPLE

Structure

NTAGO underwent a partial restructure to help with addressing one of the recommendations in the 2024 strategic review. The review noted that staffing and organisational structure of NTAGO has worked for many years and called on the Government to support the Auditor-General in carrying out a comprehensive organisational structure review.

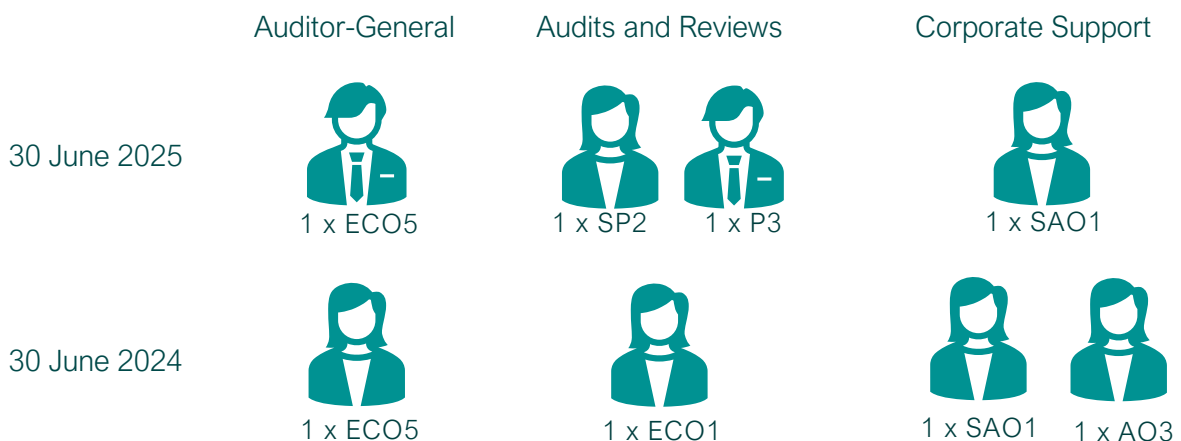
Following the retirement of a long-serving senior employee, the executive officer role was replaced with two less senior positions and the duties and responsibilities of administration staff were redesigned. The newly created Executive Officer provides a high-level administrative support to the Auditor-General and more broadly to NTAGO across different functions, including Parliamentary reporting and communications, stakeholders engagement, records management, governance and compliance and general administration.

Figure 11 Organisational structure, including designations as at 30 June 2025



Not all positions were filled as at 30 June 2025 and NTAGO was actively recruiting to fill all vacancies. The Executive Officer position was filled in early 2025-26. The second Principal Auditor remained vacant at the time of this report.

Figure 12: Employee profile in 2025 and 2024



Farewells

We farewelled Julie Crisp on 12 September 2024 who served two successive terms as the Auditor-General.

We also farewelled long time employee Sue Cooper at the end of February 2025. With over 20 years of service, Sue has become synonymous with the Northern Territory Auditor General's Office.

Sue has worked under three Auditors-General and acted in the role for a month.

Her dedication has always been appreciated, her advice valued, and her sense of humour cherished by the Late Frank McGuiness, Julie Crisp and for a short period by Jara Dean, who was grateful to Sue for helping him to navigate through his first audit season and settle into the role.



We couldn't let her leave without having a "come to work dressed as Sue" day on her final day, wearing jeans and a polo shirt.

During the year, we also farewelled Bernadette Esteban, Administration Officer and Juliette Chenais, Records Manager.

Welcomes

Natalie Scott returned to the Office as a Principal Auditor in September 2024, after a seven-year break (mostly interstate). Natalie previously looked after predominately performance management system audits when she worked in the Office previously. With the retirement of Sue, she has gone back to her roots in financial audit.

Henry Chan joined us as an Audit Manager in the middle of June 2025. Henry previously worked for large professional service firms, with both external and internal audit experience.

Shandra Harris joined us in July 2025 as Executive Officer and has been welcome addition to assisting us building the momentum of changes in line with our new strategic plan.

Our attrition as a percentage of full time equivalent permanent staff was high in 2024-25 and with so many new staff, Cindy Nielsen, Manager Finance and Corporate Support, has been the longest serving staff member and completes our current team of five staff as at July 2025.



Giving back

NTAGO took the opportunity to expand our giving this year to include giving back to our community through the St Vincent de Paul Society's *2024 Christmas Hamper Project*.

Our giving tree was quickly surrounded by gifts of food and toys.

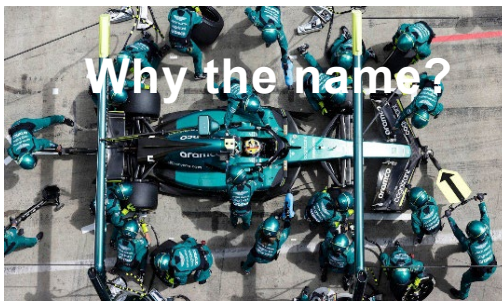


The Pitstop

We started an engagement newsletter, to share news and events, updates and priorities with our audit teams.

It mirrors the journey that we are on with the and focuses on the key areas within our strategic plan.

Audit teams are encouraged to grab a cuppa and pause in "The Pitstop", before getting back into delivering our audit program.



Why the name?

I admit that I am a fan of the series Drive to Survive. Have you ever noticed that in Formula 1 it is often the driver who steals the headlines? The fact is that they would be nothing without the team, both at the front and back of the grid. Just look how many mechanics it takes to change tyres when a racing car pulls into a pitstop. They are all working like a well-oiled machine. Even if it is my signature on deliverables to our clients and our reports to Parliament, I could not do it without the work of each and every single one of you.

That's why we are calling this newsletter The Pitstop.

Jana

Work health and safety

What goes with WHS? Morning tea of course! We celebrated the National Safe Work Month in October 2024 and engaged in activities such as stretching, hazards identification and practiced mindfulness. Stretches were renamed with titles such as:



**The adverse
opinion stretch**



**The audit testing
stretch**



**The disclaimer of
opinion stretch**

Training

Training delivered

We held a briefing for authorised auditors in January 2025. It was great to get as many of staff who work for our audit service providers together as we could to spend some time getting to know each other, introducing the new Auditor-General and sharing his vision and our new strategic plan. We also focused on the upcoming busy season.

In May 2025 we held our first *Public Sector Accounting and Reporting Seminar*, which included a masterclass on revenue recognition delivered by Carmen Ridley, BSc (Hons), CA, ACA. We chose this topic because we found that applying the income and revenue recognition accounting standards caused difficulty for most entities. We have also provided practical tools to assist with the assessment of the appropriate accounting treatment.

The Auditor-General regularly presents a session as part of the NTG *Foundations of Public Sector Governance* four-day residential program.

Training Attended

Our audit staff are members of professional accounting bodies, and one corporate staff member is working towards obtaining their CPA. Each team member is responsible for ensuring that they are undertaking ongoing continuing professional development.

We often attend financial reporting and accounting updated facilitated by private sector audit firms. This year, we attended a:

Free training attended by our staff included:

- Corporate Reporting Update presented by Deloitte
- Sustainability Reporting Update presented by KPMG
- Financial Reporting Update presented by KPMG.

The Auditor-General and Principal Auditor attended the International Meeting of Performance Audit Critical Thinkers (IMPACT) Conference in April 2025 in Perth. Attending the IMPACT conference was timely as we looked to shape and develop our future audit program and grow performance audits.

All personnel within the Office undertake induction, work health and safety awareness and workplace refresher courses. All personnel within the Office have completed mandatory across-government training sessions.



OUTSOURCING MODEL

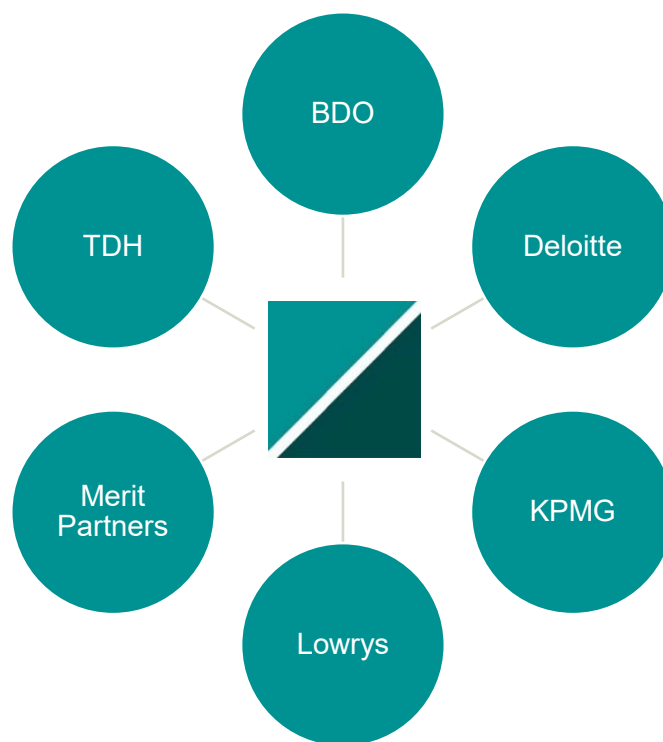
NTAGO outsources audit related tasks to six local private sector audit firms to assist with the delivery of the Auditor-General's mandate. Employees within the audit firms must be approved as Authorised Auditors prior to undertaking audit work on behalf of the Auditor-General. The outsourced model has been in place since 1982.

Authorised Auditors must appropriately qualified and experienced persons who are appointed by the Auditor-General pursuant to section 17 of the Audit Act.

Audit work is conducted by private sector audit firms, with the Auditor-General and his staff involved in establishing the audit program, planning, preparation of guidelines for audit assignments, information support and managing the contracts with private sector audit firms.

There are currently 168 persons employed by private sector firms shown below who are registered as Authorised Auditors at 30 June 2025.

Figure 13 Contracted private sector audit firms



In 2025 NTAGO registered 47 new authorised auditors, including 21 audit assistants, and 18 specialist senior auditors, managers and partners.

The current contract for outsourcing audit work is for 36 months from 2 January 2024 to 1 January 2027. The procurement plan for previous years has been to advertise the tender in quarter 3 of the year for release in quarter 4 for the next 3-year period, with blocks of hours awarded on tender.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

Good corporate governance is intended to assist an organisation to achieve its outcomes and obligations through planning, decision-making and risk management. NTAGO's corporate governance framework is intended to ensure the efficient use of resources, compliance with statutory and other external requirements, adherence to sound administrative and financial management practices.

The Auditor-General is accountable to the:

- Legislative Assembly for the discharge of the responsibilities allocated under the Audit Act, including the ways by which NTAGO's strategies and goals are set, promoted and achieved
- Chief Minister for the stewardship of resources entrusted to NTAGO.

These obligations are discharged through the Office's Corporate Governance Framework. NTAGO does not currently have committees for Governance due to the small size of the Office, however it does have a dedicated Work Health and Safety meeting each quarter with the entirety of the Office to ensure compliance.

Compliance with Employment Instructions

In accordance with section 16 of the *Public Sector Employment and Management Act 1993* (PSEMA), Employment Instructions provide directions to NTG agencies on how public sector employees are to be managed and how public sector employees are required to behave. The following table reports on employment instructions issued by the Commissioner for Public Employment.

Employment Instruction reporting Under the Public Sector Employment and Management Act 1993 (PSEMA), Employment Instructions provide direction to agencies on human resource matters. DCDD complied with its obligations under each Employment Instruction throughout 2023-24. Public sector principles Part 1A, sections 5A to 5F of PSEMA lists the general principles underlying this legislation. These principles need to be upheld by agencies, Chief Executive Officers (CEOs) and employees of the NTPS.

Figure 14 NTAGO reporting on Employment Instructions

Employment Instruction	NTAGO Performance 2024-25
No. 1. Filling Vacancies	Procedures were in place for the filling of vacancies in the department throughout 2024–25. These are consistent with and enact the whole-of-government simplified recruitment policy.
No. 2. Probation	No probationary processes were undertaken during the 2024-25 financial year.



Employment Instruction	NTAGO Performance 2024-25
No. 3. Natural Justice	The principles of natural justice are promoted within the Office and are included as part of the recruitment process. Employees can also access the Office of the Commissioner for Public Employment (OCPE) website for more information on natural justice.
No. 4. Employee Performance Management and Development Systems	The Office reports to OCPE annually on performance management and training and development matters through the State of Service report. The Office, in accordance with its Employee Performance Review and Development Policy, has implemented performance management and development procedures for its employees which include the completion of annual training requirements against their professional standing. The Office continues to review and update its Performance Review and Development processes in line with changes to the NTPS Capability Framework.
No. 5. Medical Examinations	There were no requirements during the reporting period for the Auditor-General to engage a health practitioner for the purpose of conducting an examination of an employee.
No. 6. Performance and Inability	The Office reports annually to OCPE on performance and inability. There were no performance or inability issues during the reporting period.
No. 7. Discipline	Employment Instruction 7 – Discipline was revoked following the publication of the NTPS Disciplinary Handbook, which was approved by the Commissioner for Public Employment 17 March 2021.
No. 8. Internal Agency Complaints and Section 59 Grievance Reviews	The Office reports annually to OCPE on internal agency complaints and grievance matters. There were no complaints or section 59 grievance matters for the reporting period.
No. 9. Employment Records	Personnel records for Office staff are maintained by DCDD with all other human resource documents maintained within the Office. The Office has implemented procedures for maintaining and accessing appropriate employee records in accordance with records management standards.
No. 10. Equality of Employment Opportunity Programs	The Office reports annually to OCPE on equal opportunity matters. Diversity and inclusion are supported and promoted throughout the Office. The Office has an Aboriginal Employment Career Development Strategy Action Plan and implemented a Special Measures Plan as a part of the action plan during 2024-25. The Office has a Disability Action Plan in place and successfully achieved all targets for the period.

Employment Instruction	NTAGO Performance 2024-25
No. 11. Occupational Health and Safety Standards Program	The Office, with the assistance of DCDD, undertook a review of the Work Health and Safety (WHS) framework during the 2023-24 financial year. The Office has reported no incidents during 2024-25.
No. 12. Code of Conduct	The Office has communicated its expectations and information regarding the guidelines and values associated with behaviour in the workplace within the induction process. Regular team meetings are used to reinforce and communicate information relating to gifts, benefits, independence, conflicts of interest and other agency, public sector or politically specific principles. All Office employees have undertaken the NTPS essential online Code of Conduct training.
No. 13. Appropriate Workplace Behaviour	Appropriate workplace behaviour for new employees is communicated as part of the induction process. Guidance documents and references are also available through the OCPE website. Discussion and communication are provided either through team meetings or on a case-by-case basis. The Northern Territory Auditor-General's Office's <i>Code of Conduct Policy</i> incorporates the requirements of this Employment Instruction.
No. 14. Redeployment and Redundancy Procedures	There were no redeployment or redundancy activities undertaken within the Office during the year.
No. 15 Special Measures	A Special Measures plan was developed during the 2022-23 financial year and applied to the recruitment actions undertaken after 1 January 2023. The Office continues to support an inclusive and diverse workplace.
PSEMA – Reports by the OCPE	In accordance with section 18 of the PSEMA, the Office participated in the completion of the OCPE's State of Service Report through completion of the agency reporting survey by the required due date.

Public Sector Principles

Personnel of NTAGO are familiar with the public sector principles contained within Part 1A of the *Public Sector Employment and Management Act 1993*, those being:

- the administration management principle
- the human resource management principle, including:
 - the merit principle
 - the equality of employment opportunity principle
- the performance and conduct principle.

No instances of failure to uphold public sector principles have been identified during the year ended 30 June 2025.



Records Management

NTAGO complies with mandated requirements for records management within the NTG as contained in standards and guidelines issued and maintained by DCDD.

Proper record keeping is essential in the delivery of the audit program, and all staff members are provided with support and training in terms of appropriate record keeping and the use of the NTG mandated system - Territory Records Manager 8 (referred to as RM8 or TRM). All audit tasks are recorded within a TRM file and appropriate retention schedules are applied with each file to ensure compliance with legislation and policies. All other NTAGO administrative files are managed in accordance with the NTG retention schedule for administrative functions.

Work Health and Safety

Federal legislation effective from 1 July 2012 requires all employers to achieve compliance with the national uniform legislation relating to WHS. To this end, NTAGO undertook a major review of this framework during 2023-24.

The NTAGO WHS policy is forwarded to the firms contracted to provide audit services. At the time of confirming the six-monthly allocation of audits, the firms are required to return a written acknowledgement confirming that all Authorised Auditors employed by the firm have read and understood the WHS Policy and will comply with the Policy.

WHS risks are considered within NTAGO's risk register which is reviewed on a regular basis. Workshops are held every six months to identify any emerging risks relating to NTAGO and consider the status of current risks which had previously been identified. A workshop was held in December 2024, with the next workshop in September due to small number of staff.

All office signage clearly reflects locations and contact details of wardens, exits and fire extinguishers.

The Manager Finance and Corporate Services participates in the fire warden training. NTAGO had a first aid officer until the end of January 2025, and the position has been vacant since. A first aid officer can easily be accessed from other agencies in the office building.

WHS was a standing agenda item at weekly staff meetings until June 2025 when it was moved to a meeting on its own every quarter.

GIFTS AND BENEFITS

The Auditor-General voluntarily discloses details of gifts and benefits offered, received or declined by him to the Public Accounts Committee every quarter.

NTAGO employees are required to report any offered gift or benefit (whether accepted or refused) within 14 days of the offer being made, through an internal gifts and benefits register.

Figure 15 NTAGO gifts and benefits register from 1 July 2024 to 30 June 2025

Date	Gift or benefit	Offered by	Value (est.)	Outcome	Reason for decision
14/10/2024	Invitation to the Opening of the First Session of the 15th Assembly	Office of the Speaker	Unknown	Accepted	Appropriate to attend as a statutory officer
18/10/2024	NT Police Graduation Parade (Recruit Constable Squad 156)	NT Police Force	Unknown	Accepted	Understanding the NT and strengthening stakeholder relationships
21/10/2024	Traditional small bilum bag presented by the PNG Office of the A-G staff on arrival at the Port Moresby airport	PNG Office of the Auditor-General	\$50.00	Accepted	Cultural gift, refusal would likely cause offence
23/10/2024	Wooden carving of Papua New Guinea emblem presented to all Auditors-General to commemorate the ACAG meeting in Port Moresby	Mr Gordon Kega, PNG Auditor-General	Unknown	Accepted, transferred to NTAGO	Cultural gift, refusal would likely cause offence
23/10/2024	Coffee (550g) and 3 blocks of chocolate made in Papua New Guinea gifted to showcase local produce	PNG Office of the Auditor-General	\$50.00	Accepted, transferred to NTAGO	Cultural gift, refusal would likely cause offence
28/10/2024	Invitation to a public presentation by the Under Treasurer	Department of Treasury and Finance	Unknown	Accepted	Understanding of NT economy and fiscal outlook, strengthening stakeholder relationships
8/11/2024	Invitation to speak at Governance and Risk Management Forum NT 2024	Governance Institute of Australia	Unknown	Accepted	Opportunity to promote the role of the A-G and strengthen stakeholder relationships
14/11/2024	Invitation to NT Economic Outlook 2025 Luncheon by the NT Chamber of Commerce	Deloitte Touche Tohmatsu	\$110.00	Accepted	Keynote address by the CM and economic update by Gaurav Sareen, Deloitte NT Partner - understand NTG priorities and economic analysis by Deloitte
23/11/2024	Invitation to the 50th Anniversary of the Sitting of the First Legislative Assembly	Speaker of the Legislative Assembly	Unknown	Accepted	Appropriate to attend as a statutory officer



Date	Gift or benefit	Offered by	Value (est.)	Outcome	Reason for decision
28/11/2024	Invitation to end of year celebrations	Leader of the Opposition	Unknown	Declined	Declined, it would not be appropriate for the Auditor-General, as an independent statutory officer, to be attending any political party function or event
6/12/2024	Commemoration of the 50th Anniversary of Cyclone Tracy	Museum and Art Gallery of the Northern Territory	Unknown	Accepted	Opportunity to learn about the NT, engagement and building relationships
10/12/2024	NT Human Rights Awards	NT Anti-Discrimination Commissioner	Unknown	Accepted	Understanding the NT, community engagement
10/12/2024	NT Fire and Rescue Service Graduation Ceremony (Recruit Squad 50)	NT Fire and Rescue Service	Unknown	Accepted	Understanding the NT and strengthening stakeholder relationships
4/02/2025	Treasurer's 2025 Economic and Fiscal Update	Protocol NT	Unknown	Accepted	Understanding of NT economy and fiscal outlook, strengthening stakeholder relationships
10/02/2025	2025 Year of Action	Chief Minister	Unknown	Accepted	Understanding government priorities
11/02/2025	First sitting of Parliament for 2025	Speaker of the Legislative Assembly	Unknown	Accepted	Appropriate to attend as a statutory officer
11/02/2025	The State funeral of The Hon Austin Asche AC KC	Protocol NT	Unknown	Accepted	Appropriate to attend as an independent statutory officer appointed by the Administrator
19/02/2025	Bombing of Darwin Commemoration - Darwin	Mayor of Darwin	Unknown	Declined	Pre-existing commitment
20/02/2025	Bombing of Darwin Commemoration - Adelaide River	Coomalie Community Government Council	Unknown	Accepted	Understanding the NT, community engagement.
13/03/2025	Sustainability reporting update	KPMG	Unknown	Accepted	Accounting Standards update
31/3/2025	Dinner at Government House Western Australia	The Governor of Western Australia	Unknown	Accepted	Appropriate to attend as a statutory officer representing the NT, refusal would likely cause offence
31/3/2025	Commemorative medallion	The Governor of Western Australia	Unknown	Accepted, retained by NTAGO	Token gift, refusal would likely cause offence



Date	Gift or benefit	Offered by	Value (est.)	Outcome	Reason for decision
2/4/2025	Box of chocolates from Western Australia	Office of the Auditor-General Western Australia	\$50.00	Accepted, transferred to NTAGO	Token gift for supporting IMPACT Conference, refusal would likely cause offence
14/5/2025	Presentation on the 2025-26 Territory Budget	Department of Treasury and Finance	Unknown	Accepted	Understanding of NT economy and fiscal outlook, strengthening stakeholder relationships
20/5/2025	Financial reporting update	KPMG	Unknown	Accepted	Awareness of developments in financial reporting

Auditor-General's remuneration and expenses incurred in the course of performing his official duties and functions are detailed in note 4(e) to the financial statements in the Financial Report section.



FINANCIAL REPORT

Financial analysis

NTAGO achieved a net operating surplus in 2024-25 of \$66 thousand compared to \$100 thousand in the prior year primarily due to unfilled positions during the year.

Revenue from Government, or output appropriation was \$3.178 million for 2024-25, which was \$67 thousand higher than in 2023-24 due to indexation,

Recoverable audit fees increased by \$30 thousand to \$2.641 million in 2024-25, due to the combination of an increased audit activity, additional fees and increases in hourly rates charged by contracted audit firms.

The increased hourly rates were also reflected in increased audit costs, which were \$93 thousand higher in 2024-25. In total, private sector firms earned \$4.640 million for the work they performed for NTAGO.

The second highest cost incurred by NTAGO related to staff and the Auditor-General's remuneration. Employee expenses were lower in 2024-25 due to unfilled positions during the year. Auditor-General's remuneration disclosed in note 4(e) to the financial statements, \$0.479 million, included leave entitlements provided for in previous years and paid out to the outgoing Auditor-General, including long service leave which was carried by the Central Holding Authority.

NTAGO spent \$86 thousand more on administration in 2024-25 due to the cost of the legislated strategic review and office alterations to create additional seating.

NTAGO's cash balance decreased by \$376 thousand to \$0.889 million at 30 June 2025. Even though NTAGO reported a surplus, its operating cash flow was negative mainly because more cash was tied up in receivables and unbilled audit work in progress at year end. NTAGO pays audit firms progressively but does not bill audit clients until the audit is completed.

Figure 16: NTAGO financial report 2024-25

	2025 \$'000s	2024 \$'000s
Revenue from Government	3 178	3 111
Recoverable financial audit fees	2 265	2 313
Recoverable acquittal fees	231	174
Recoverable other audits and reviews	145	124
Other income	174	181
Total revenue	5 993	5 903
Auditor-General's remuneration	349	328
Employee expenses	601	677
Fees for non-recoverable audits	2 018	1 936
Fees for recoverable audits	2 622	2 611
Administration	337	251
Total expenses	5 927	5 803
Surplus	66	100
add back Net changes in working capital		
(Increase)/Decrease in Receivables	(277)	(45)
Increase/(Decrease) in Payables	(120)	184
Increase/(Decrease) in Employee provisions	(39)	(6)
Other working capital movements	(6)	(3)
	(442)	130
Net increase/(decrease) in Cash	(376)	230
Cash at the end of the year	889	1 265
Working capital	1 531	1 465
Recreational leave provisions	79	124
Unbilled audit work in progress (receivable)	307	350
Accrued work in progress (payable to firms)	234	353



Audit opinion



INDEPENDENT AUDITOR'S REPORT

To the Chief Minister of the Northern Territory and the Auditor-General for the Northern Territory

Opinion

We have audited the financial report of the Northern Territory Auditor-General's Office (the "Office") which comprises the Balance Sheet as at 30 June 2025, the Comprehensive Operating Statement, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and notes to the financial statements, including material accounting policy information and the Certification of the Financial Statements.

In our opinion, the accompanying financial report gives a true and fair view, in all material respects, of the financial position of the Office as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with the *Financial Management Act 1995* and associated Treasurer's Directions and *Australian Accounting Standards*.

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 of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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

The Auditor-General is responsible for the other information. Other information is financial and non-financial information in the annual report of the Office which is provided in addition to the financial report and the auditor's report. The annual report of the Office is expected to be made available to us after the date of this auditor's report.

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

We will read the other information identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we will communicate the matter to the Chief Minister and the Auditor-General.

138 Juliette Street
Greenslopes
QLD 4120

SAAS Audit Pty Ltd
ABN 59 164 950 056
ACN 164 950 056

Phone +61 7 3846 6761
Email info@saasaudit.com.au
Web www.saasaudit.com.au

Liability is limited by a scheme approved under the Professional Standards Legislation.



Audit opinion (continued)

Responsibilities of the Auditor-General for the Financial Report

The Auditor-General is responsible for the preparation and fair presentation of the financial report in accordance with the *Financial Management Act 1995* and associated Treasurer's Directions and *Australian Accounting Standards* and for such internal control as the Auditor-General determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Auditor-General is responsible for assessing the ability of the Office 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.

Auditor's Responsibilities 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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

SAAS Audit Pty Ltd



James Kenward
Director

Greenslopes, Queensland

Dated: 27th August 2025

Certification of the financial statements

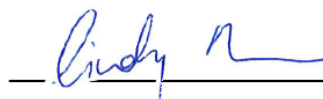
We certify that the attached financial statements for the Northern Territory Auditor-General's Office have been prepared based on proper accounts and records in accordance with Australian Accounting Standards and with the requirements as prescribed in the *Financial Management Act 1995* and Treasurer's Directions.

We further state that the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2025 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



Jara K Dean
Auditor-General
27 August 2025



Cindy Nielsen
Manager Finance and Corporate Services
27 August 2025



COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025	2024
		\$000	\$000
INCOME			
Revenue from Government	4.a	3,178	3,111
Recoverable audit fees	4.c	2,641	2,611
Goods and services received free of charge	4.d	169	176
Other income		5	5
TOTAL INCOME		5,993	5,903
EXPENSES			
Employee expenses	4.e	950	1,005
Audit costs	4.f	4,640	4,547
Administrative expenses	4.f	168	75
Goods and services received free of charge	4.d	169	176
TOTAL EXPENSES		5,927	5,803
NET SURPLUS/(DEFICIT)		66	100
COMPREHENSIVE RESULT		66	100

The comprehensive operating statement is to be read in conjunction with the notes to the financial statements.

BALANCE SHEET AS AT 30 JUNE 2025

	Note	2025	2024
		\$000	\$000
ASSETS			
Current assets			
Cash and deposits	5.a	889	1,265
Receivables	5.b	973	696
Total current assets		1,862	1,961
TOTAL ASSETS		1,862	1,961
LIABILITIES			
Current liabilities			
Payables	5.c	252	372
Provisions	5.d	79	124
Total current liabilities		331	496
TOTAL LIABILITIES		331	496
NET ASSETS		1,531	1,465
EQUITY			
Capital		570	570
Accumulated funds		961	895
TOTAL EQUITY		1,531	1,465

The balance sheet is to be read in conjunction with the notes to the financial statements.



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		\$000	\$000	\$000	\$000
2024-25					
Accumulated funds		895	66	-	961
Capital – transactions with owners					
Equity injections					
Capital appropriation		26	-	-	26
Equity transfers in		53	-	-	53
Other equity injections		801	-	-	801
Equity withdrawals					
Capital withdrawal		(310)	-	-	(310)
		570	-	-	570
Total equity at end of financial year		1,465	66	-	1,531
2023-24					
Accumulated funds		795	100	-	895
Capital – transactions with owners					
Equity injections					
Capital appropriation		26	-	-	26
Equity transfers in		53	-	-	53
Other equity injections		801	-	-	801
Equity withdrawals					
Capital withdrawal		(310)	-	-	(310)
		570	-	-	570
Total equity at end of financial year		1,365	100	-	1,465

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025	2024
		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Receipts from Government		3,178	3,111
Recoverable audit fees and other receipts		2,850	3,024
Total operating receipts		6,028	6,135
Operating payments			
Payments to employees		(997)	(1,019)
Payments for goods and services		(5,407)	(4,886)
Total operating payments		(6,404)	(5,905)
Net cash from/(used in) operating activities		(376)	230
Net increase/(decrease) in cash held		(376)	230
Cash at beginning of financial year		1,265	1,035
CASH AT END OF FINANCIAL YEAR		889	1,265

The cash flow statement is to be read in conjunction with the notes to the financial statements.



1. Objectives and funding

The Northern Territory Auditor-General's Office (NTAGO) is a Northern Territory government agency under the *Financial Management Act 1995* and the *Public Sector Employment and Management Act 1993*.

What we do

NTAGO's main function is to support the Auditor-General in discharging the Auditor-General's responsibilities under the *Audit Act 1995* and other legislation. It operates under an outsourcing model where assurance activities are managed internally but delivered largely using external audit service providers.

How we are funded

NTAGO charges fees that recover the costs paid to contracted auditors for audits of financial statements of statutory entities, grant acquittals and other recoverable financial audits.

Parliamentary appropriation is the only source of revenue to fund all remaining activities. These activities include audits and reviews of government departments and agencies to support the audit of the Treasurer's Annual Financial Statement (TAFS), performance management system audits, IT and compliance audits, reviews under the *Public Information Act 2010*, preparing reports to the Legislative Assembly and all compliance and administration costs.

The financial statements encompass all funds through which the NTAGO controls resources to carry out its functions. NTAGO is structured into two output groups to meet its objectives:



Audits and reviews

Provide independent audits and other assurance services to Parliament to help in its oversight of the performance and accountability of the public sector.



Corporate and shared services

Improved organisational performance through strategic and governance leadership, and provision of efficient and effective administrative services.

Operating statements for each output group are provided in Note 3.

NTAGO's operations were not affected by machinery of government changes following the 2024 Territory Election.

The financial statements have been authorised for issue by the Auditor-General on the date of signing the Certification of the financial statements.

2. Basis of preparation

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

- the *Audit Act 1995*
- Treasurer's Directions issued under the provisions of the *Financial Management Act 1995*
- Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. Except where stated, the financial statements have been prepared in accordance with the historical cost convention.

All amounts were rounded to the nearest one thousand dollars (unless otherwise stated) and expressed in Australian dollars.

The NTAGO is not-for-profit and has adopted accounting policies under the AAS available only to not-for-profit entities.

The significant judgements, key assumptions and estimates made in preparing these financial statements were:



Revenue

Performance obligation is satisfied over time rather than at a point in time when the report is issued. This is because audited entities simultaneously receive and consume the benefits of the assurance services. The conduct of an audit and related work does not create an asset with an alternative use to the audited entities or NTAGO.



Work in progress

Work in progress represents assurance services performed but not yet invoiced and is based on:

- weekly progress reports provided by audit service providers, which detail hours and hourly rates for each level of staff for approved tasks
- outlays such as travel and accommodation directly incurred in completing the work that are yet to be billed.

Work in progress was assessed as fully recoverable at the reporting date, taking into consideration a range of factors such as the remaining budget versus forecasted effort to complete each engagement and the potential to recover scope variations and audit inefficiencies through additional fees.

Territory items and Central Holding Authority

The financial statements include income, expenses, assets, liabilities and equity controlled by NTAGO and available to further its objectives.

Certain items, while managed by agencies, are administered and recorded by the Territory. Those items are recognised and recorded in Central Holding Authority (CHA) as the 'parent body' that represents government's ownership interest in government-controlled entities. NTAGO did not manage any such items.

CHA also holds certain liabilities that are not practical or effective to assign to individual agencies such as unfunded superannuation and long service leave. These items are not included in the NTAGO's financial statements.

Taxation

NTAGO is exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Revenues, expenses, and assets are recognised exclusive of GST, except:

- receivables and payables, which include input tax credits and GST payable, and the net amount due to or receivable from the Australian Tax Office (ATO)
- where the amount incurred is not recoverable from the ATO.

Receivables and payables between public sector entities within the same GST Group are recognised exclusive of GST.

NTAGO pays payroll tax on payments or benefits provided to its employees.

Standards and interpretations effective from 2024-25 financial year

During the year, several amendments to AAS became effective for the first time. Those amendments have not resulted in any changes to the accounting policies.

Standards and interpretations issued but not yet effective

No AAS have been adopted early for the 2024-25 financial year.

AAS that apply to future reporting periods are not considered to have a material impact on NTAGO's accounting policies or disclosures

3. Comprehensive operating statement by output group

Outputs for each group are listed below:

Audits and reviews

- Undertake audits of the financial statements of Territory entities and the Treasurer's Annual Financial Statement, and issue audit opinions on their compliance with relevant accounting standards and legislation.
- Undertake other assurance engagements including performance management system audits, information technology, controls, and compliance audits and reviews.
- Report audit findings, including deficiencies in internal controls identified during audits, and provide recommendations to accountable officers. Report to parliament on the outcomes of financial statement audits and other assurance engagements and reviews.
- Undertake reviews of matters referred under the *Public Information Act 2010*.
- Manage outsourced audits and own assurance activities efficiently and effectively to achieve quality audit services to parliament to help in its oversight of the performance and accountability of the public sector.
- Improved organisational performance through strategic and governance leadership, and provision of efficient and effective administrative services.

Corporate and shared services

- Provide financial, people, information systems, records and property management services to support the Auditor-General and the audits and reviews output of NTAGO.
- Provide administrative support to the Auditor-General, including parliamentary reporting and communications, and stakeholder engagement.
- Manage records to ensure confidentiality of information.
- Manage outsourced services and own activities efficiently and effectively and ensure compliance and good governance.



The table disaggregates revenue and expenses that enable delivery of outputs by output groups which form part of the NTAGO's balances.

Note	Audits & Reviews		Corporate & Governance		Total	
	2025	2024	2025	2024	2025	2024
	\$000	\$000	\$000	\$000	\$000	\$000
INCOME						
Revenue from Government	2,756	2,689	422	422	3,178	3,111
Recovery of audit fees	2,641	2,611	-	-	2,641	2,611
Goods and services received free of charge	-	-	169	176	169	176
Other income	5	-	0	5	5	5
TOTAL INCOME	5,402	5,300	591	603	5,993	5,903
EXPENSES						
Employee expenses	634	654	316	351	950	1,005
Administrative expenses						
Purchases of goods and services	4,677	4,574	131	48	4,808	4,622
Repairs and maintenance ⁽¹⁾	-	-	2	-	2	-
Goods and services received free of charge	-	-	167	176	167	176
TOTAL EXPENSES	5,311	5,228	616	575	5,927	5,803
NET SURPLUS/(DEFICIT)	91	72	(25)	28	66	100
COMPREHENSIVE RESULT	91	72	(25)	28	66	100

This comprehensive operating statement by output group is to be read in conjunction with the notes to the financial statements.

4. Financial performance

This section outlines the major areas of revenue and expenditure incurred by NTAGO in the course of its operating activities.

a. Revenue from Government

Output	2025			2024		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Output	-	3,178	3,178	-	3,111	3,111
Total appropriation in the operating statement	-	3,178	3,178	-	3,111	3,111

Amounts appropriated for operating activities are recognised as revenue from Government immediately upon receipt under AASB 1058 *Income of Not-for-Profit Entities* because there are no sufficiently specific performance obligations.

b. Summary of changes to budget appropriations

There were no changes to budgeted appropriations authorised during the current financial year.

The table below of changes to budget appropriations relates only to appropriation and does not include NTAGO-generated revenue such as recoverable audit fees and related expenses. Variances between budget and actual outcomes are detailed in Note 12 *Budgetary information*.

	Original 2024-25 budget appropriation (a)	Revised 2024-25 budget appropriation (b)	Change to budget appropriation (b-a)	Final 2024-25 budget appropriation (c)	Change to budget appropriation (c-b)
	\$000	\$000	\$000	\$000	\$000
Output	3,178	3,178	-	3,178	-
Total appropriation	3,178	3,178	-	3,178	-

- (a) Appropriation as per the *Appropriation (2024-2025) Act 2024*.
 (b) Appropriation as per the 2024-25 Budget Paper No. 3: *Agency Budget Statements*.
 (c) Appropriation revenue as recognised in the comprehensive operating statement.

c. Recovery of audit fees

Revenue from audits of financial statements of statutory entities, grant acquittals and other financial audits represents recoveries of audit costs and is recognised in accordance with AASB 15 *Revenue from Contracts with Customers* over time as assurance services are provided to audited entities.

The amount of revenue is determined by reference to the budget or agreed fees and the stage of completion of each assurance engagement and is recognised consistently with the value of recoverable audit costs.

Audited entities are invoiced at the completion of each assurance engagement.

	2025	2024
	\$000	\$000
Financial audits	2,265	2,313
Acquittals	231	174
Other audits and reviews	145	124
Total	2,641	2,611

d. Goods and services received free of charge

	2025	2024
	\$000	\$000
Corporate and information services	167	176
Repairs and maintenance	2	-
Total goods and services received free of charge	169	176

Contributions of goods or services free of charge are recognised as income and measured at fair value of the goods or services received and offset in the comprehensive income statement by a corresponding expense to represent their use or consumption.

The NTAGO received the following services free of charge:

Department of Corporate and Digital Development

- Financial services such as accounts receivable, accounts payable and payroll
- Employment and workforce services
- Information management services
- Procurement services
- Property leasing services

Department of Logistics and Infrastructure

- Administration of repairs and maintenance of assets

e. Employee expenses

	2025	2024
	\$000	\$000
Salaries and wages	815	853
Superannuation expenses	78	88
Fringe benefits tax	8	12
Payroll tax	49	52
Total	950	1,005

Salaries and wages are recognised in the reporting period when employees render their services or become entitled to the benefit and include recreation leave, labour hire costs, allowances and other benefits.

Superannuation contributions are paid directly to employees' superannuation funds at the compulsory superannuation guarantee rate set by the Australian Government, plus any employee contributions.

Key management personnel

The Auditor-General is the only key management personnel, having the authority and responsibility for planning, directing and controlling the activities of NTAGO.

The aggregate compensation of Auditors-General as key management personnel is set out in the corresponding table.

NTAGO did not enter into any material transactions with key management personnel, their close family members or entities they controlled or jointly controlled during the year.

	2025	2024
	\$000	\$000
Short-term benefits	313	301
Post-employment benefits	30	27
Long-term benefits	136	-
Termination benefits	-	-
Total	479	328



Auditor-General's remuneration

Auditor-General: Jara Dean[^]					
Salary ¹ (\$)	Super ² (\$)	Vehicle ³ (\$)	Long-term benefits ⁴ (\$)	Total (\$)	Non-monetary benefits ⁵ (\$)
233,201	23,025	7,050	16,958	280,234	10,131

[^] Mr Dean's five-year term commenced on 13 September 2024

1. Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.
2. Superannuation means the contribution to the superannuation fund of the individual being the amount of superannuation contributions paid or accrued.
3. Represents the personal use component of the total cost of providing and maintaining a vehicle, including registration, insurance, fuel and other consumables and maintenance cost.
4. Long-term benefits include annual and long service leave movements.
5. Non-monetary benefits include parking and the applicable fringe benefit tax for parking and the vehicle.

Auditor-General's expenses

The Auditor-General voluntarily reports to the Public Accounts Committee expenses incurred in the course of performing his official duties and functions, such as travel costs to attend six monthly meetings of the Australasian Council of Auditors-General or conferences.

The Auditor-General's expenses totalled \$6,721 for the period from 13 September 2024 to 30 June 2025.

f. Operating expenses

	2025	2024
	\$000	\$000
Audit costs		
Fees for non-recoverable audits	2,018	1,936
Fees for recoverable audits	2,622	2,611
Total audit costs	4,640	4,547
Administrative expenses		
Other professional fees ⁽¹⁾	31	-
Advertising ⁽²⁾	-	-
Audit expense (NTAGO Financial Statement Audit)	11	11
Recruitment ⁽³⁾	2	-
Training and study	8	4
Official duty fares	3	1
Travelling allowance	1	-
Property management	4	5
Information technology charges and communications	25	23
Other	83	31
Total administrative expenses	168	75

- (1) Includes fees for the triennial Strategic Review of the Office in accordance with section 26 of the *Audit Act 1995*.
- (2) Does not include recruitment related advertising or advertising for marketing and promotion.
- (3) Includes recruitment-related advertising costs.

Audit costs are recognised as assurance services are provided by contracted auditors.

Administrative expenses generally represent the day-to-day running costs incurred in normal operations and are recognised in the reporting period in which they are incurred.

5. Financial position

This section outlines the resources controlled by the NTAGO and its obligations.

a. Cash

Cash only includes cash at bank. The NTAGO does not hold cash on hand but has a credit card facility of \$5,000 (2024: \$5,000), of which \$0 (2024: \$0) was used at the reporting date.

Reconciliation of net result as reported in the comprehensive income statement to cash flow from operating activities:

	2025	2024
	\$000	\$000
Net surplus/(deficit)	66	100
<i>Non-cash items:</i>	-	-
<i>Changes in assets and liabilities:</i>		
(Increase) in receivables	(277)	(45)
Increase/(decrease) in payables	(120)	184
Increase/(decrease) in provision for employee benefits	(39)	(6)
Increase/(decrease) in other provisions	(6)	(3)
Net cash from/(used in) operating activities	(376)	230

b. Receivables

	2025	2024
	\$000	\$000
Current		
Accounts receivable	634	342
Less: loss allowance	-	-
GST	22	(1)
receivable/(payable)		
Prepayments	10	5
Accrued revenue for work in progress	307	350
Total receivables	973	696

Receivables are initially recognised at fair value based on the original invoice amount, which is also considered to be the amortised cost as the effect of discounting is immaterial given their short-term nature. Audited entities are invoiced at the completion of each assurance engagement.

Receivables are due for settlement within 30 days from the date of issuing the invoice.

Work in progress represents work performed on assurance engagements where NTAGO has not yet invoiced the audited entities. This represents work performed by contracted audit firms and, where appropriate, includes the cost of NTAGO staff at the approved contract management rate.

c. Payables

	2025	2024
	\$000	\$000
Accounts payable	-	-
Accrued salaries and wages	18	19
Other accrued expenses for works in progress	234	353
Total payables	252	372

Liabilities for accounts payable and other payables are carried at amortised cost, which is the fair value of the consideration to be paid for goods or services received at or before the reporting date, irrespective of whether an invoice has been received or not.

Accounts payable are normally settled within 20 days from receipt of valid invoices under \$1 million or 30 days for invoices over \$1 million.

Liabilities for salaries, including non-monetary benefits, are measured on an undiscounted basis because they are expected to be settled wholly within 12 months after the end of the period in which the employees render the service.

d. Provisions

	2025	2024
	\$000	\$000
Current		
Recreation leave	57	98
Leave loading	5	3
Other ⁽¹⁾	17	23
Total provisions	79	124

⁽¹⁾ Other include provisions for employer superannuation contributions, fringe benefits tax and payroll on-costs in connection with recreation leave and leave loading provisions.

Provisions include recreation leave accumulated as a result of employees rendering services up to the reporting date. All recreation leave, including leave loading and resulting employee benefits and on-costs are classified as a current liability and are measured at amounts expected to be paid over the next 12 months.

Other employee benefits and on-costs are recognised as liabilities where the employment benefits to which they relate have been recognised. This includes payroll tax, fringe benefits tax and superannuation.

No provision is made for sick, carers and other personal leave.

No long service leave provision is recognised as the liability is assumed by CHA as explained in Note 2.

6. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

NTAGO has the following categories of financial instruments:

a. Classification

	Category	2025	2024
		\$000	\$000
Financial assets			
Cash and deposits	Other	889	1,265
Receivables ¹	Amortised cost	634	342
Total financial assets		1,524	1,607
Financial liabilities			
Payables ¹	Amortised cost	252	372
Total financial liabilities		252	372

⁽¹⁾ Total amounts disclosed here exclude statutory amounts, prepaid expenses and accrued contract revenue.

The carrying amounts of receivables and payables, which represent the value of the original transactions approximate the fair values of these balances.



Financial risk management

NTAGO's activities expose it to credit risk and liquidity risk. NTAGO's bank account is included in the whole-of-government arrangement managed by CHA and does not earn interest. Therefore, NTAGO is not exposed to interest rate risk. Primary responsibility for the management of financial risk rests with the Auditor-General.

Credit risk

Credit risk is the risk of financial loss arising from an audited entity defaulting on the amount due to NTAGO and amount recorded as work in progress. The maximum exposure to credit risk at balance date is the carrying amount of receivables and accrued work in progress.

The credit risk is low as NTAGO provides assurance engagements only to Northern Territory public sector entities. NTAGO monitors the progress of assurance engagements against budget, including the potential to recover the cost of scope variations and audit overruns through additional fees.

In the current financial and prior financial years there has been nil receivable write offs and therefore no financial impact of credit risk. There were no individually impaired receivables in the current or previous period all receivables were outstanding for less than 30 days.

Liquidity risk

Liquidity risk is the risk that NTAGO may be unable to meet its payment obligations when they fall due. NTAGO continuously manages its liquidity risk through monitoring its budget, future cash flows and timely invoicing for assurance services. The cash position throughout the year has been consistently adequate, similar to the previous year, to meet all liquidity requirements.

7. Related parties

Transactions with other Northern Territory Government-controlled entities

NTAGO receives appropriation provided via CHA within the Department of Treasury and Finance.

NTAGO provides assurance services which are paid for directly by public sector entities.

NTAGO procures services from the Department of Corporate and Digital Development and also receives services free of charge from government departments as per Note 1.d.

2025

Related party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
<i>All Northern Territory Government departments</i>	1,918	283	184	16

2024

Related	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
<i>All Northern Territory Government departments</i>	1,630	263	210	17

NTAGO's transactions with other government entities are not individually significant. The 2024-25 figures have been restated as they included revenues, payments and assets from entities that are unrelated to Northern Territory Government.

8. Contingent liabilities and contingent assets

NTAGO had no contingent liabilities or contingent assets as at 30 June 2024 or 30 June 2025.

9. Events subsequent to balance date

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.

10. Schedule of administered Territory items

NTAGO did not manage any Territory items on behalf of the government during the current or prior year.

11. Write-offs, postponements, waivers, gifts and ex gratia payments

NTAGO had no write-offs, postponements, waivers, gifts or ex gratia payments during the financial years ended 30 June 2024 and 30 June 2025.



12. Budgetary information

The following tables present the variation between the 2024-25 original budgeted financial statements, as reported in 2024-24 Budget Paper No. 3: *Agency Budget Statements*, and the 2024-25 actual amounts reported in the financial statements.

Explanations of material variances between budget and actual outcomes are provided below each table. A variance is considered material if it exceeds 20% of the original budget or \$0.250m, whichever is lower.

Comprehensive operating statement	2024-25	2024-25	Variance ^(c)	Note
	Actual ^(a)	Original budget ^(b)		
	\$000	\$000	\$000	
INCOME				
Appropriation				
Output	3,178	3,178	-	
Sales of goods and services	2,641	2,299	343	1
Goods and services received free of charge	169	167	2	
Other income	5	-	5	
TOTAL INCOME	5,993	5,644	349	
EXPENSES				
Employee expenses	950	1,048	(98)	
Administrative expenses				
Purchases of goods and services	4,808	4,429	379	2
Repairs and maintenance	2	2	-	
Other administrative expenses	167	165	2	
TOTAL EXPENSES	5,927	5,644	283	
NET SURPLUS/(DEFICIT)	66	-	66	
COMPREHENSIVE RESULT	66	-	66	

(a) The line items and corresponding amounts duplicate those reported on the face of the comprehensive operating statement.

(b) Original budget amounts correspond to those disclosed in the NTG Budget 2024-25 BP3 Agency Budget Statements (May 2024), classified on a basis that is consistent with the presentation and classification adopted in the corresponding financial statement.

(c) Variance = Actual amount – Budget amount.

Notes:

1. The increase reflects additional audit fees recovered from audited entities in relation to 30 June 2024 audits and increased fees for 30 June 2025 audits.

The increase reflects additional costs incurred by contracted auditors in performing 30 June 2024 audits, escalation of contract rates by the Consumer Price Index and some adjustments to base fees.



12. Budgetary information cont.

Balance Sheet	2024-25 Actual ^(a)	2024-25 Original budget ^(b)	Variance ^(c)	Note
	\$000	\$000	\$000	
ASSETS				
Current assets				
Cash and deposits	889	1,035	(146)	
Receivables	973	651	322	1
TOTAL ASSETS	1,862	1,686	176	
LIABILITIES				
Current liabilities				
Payables	252	189	63	2
Provisions	79	132	(53)	3
TOTAL LIABILITIES	331	321	10	
NET ASSETS	1,531	1,365	166	
EQUITY				
Capital	570	570	-	
Reserves	-	-	-	
Accumulated funds	961	795	166	
TOTAL EQUITY	1,531	1,365	166	

(a) The line items and corresponding amounts duplicate those reported on the face of the balance sheet.

(b) Original budget amounts correspond to those disclosed in the NTG Budget 2024-25 BP3 Agency Budget Statements (May 2024), classified on a basis that is consistent with the presentation and classification adopted in the corresponding financial statement

(c) Variance = Actual amount – Budget amount.

Notes:

1. Receivables were higher due to the timing of the completion of audit work and the resultant invoicing of recoverable audit fees.
2. Payables represent mainly accrued expenses for recoverable and non-recoverable audit costs. The increase was due to audit tasks being carried over to the next year.

Provisions represent the recognition of employee related expenses. The variance related to a decrease in the provision for recreation leave due to leave entitlements paid out to employees on cessation.

12. Budgetary information cont.

	2024-25 Actual ^(a)	2024-25 Original budget ^(b)	Variance ^(c)	Note
Cash flow statement				
	\$000	\$000	\$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Appropriation				
Output	3,178	3,178	-	
Receipts from sales of goods and services	2,850	2,299	551	1
Total operating receipts	6,028	5,477	551	
Operating payments				
Payments to employees	997	1,048	(51)	
Payments for goods and services	5,407	4,429	978	2
Total operating payments	6,404	5,477	927	
Net cash from/(used in) operating activities	(376)	-	(376)	
Net cash from/(used in) financing activities				
Net increase/(decrease) in cash held	(376)	-	(376)	
Cash at beginning of financial year	1,265	1,265	-	
CASH AT END OF FINANCIAL YEAR	889	1,265	(376)	

(a) The line items and corresponding amounts duplicate those reported on the face of the balance sheet.

(b) Original budget amounts correspond to those disclosed in the NTG Budget 2024-25 BP3 Agency Budget Statements (May 2024), classified on a basis consistent with the presentation and classification adopted in the corresponding financial statement.

(c) Variance = Actual amount – Budget amount.

Notes:

1. Represents the receipts of recoverable audit fees which were higher due to the timing of invoicing and collection. Receipts are reported inclusive of GST.
2. The variance in payments for goods and services is related to the timing of the completion of audit tasks carried over from the previous year and the subsequent payments to audit providers. The reported payments are inclusive of GST.



Plan of Work



THE YEARS AHEAD

Our mission is to help Parliament to hold Government accountable for its use of public resources by providing independent audits. Put simply, our audits and reviews focus on wastage of public resources in delivering significant infrastructure projects, government programs and public services.

Financial audits

In 12 months to June 2025, we have completed or were due to complete 26 audits of financial reports, the audit of the Treasurer's Annual Financial Statement, two audits of special purpose financial reports and seven financial acquittal audits.

We anticipate the number of financial audits to remain consistent in the coming years. However, we will proactively seek to undertake audits of acquittals where possible to reduce duplication of efforts and overlaps between engagements.

Non-financial audits

There were three non-financial audits which commenced prior to 30 June 2025 but were not completed by that date:

- Manual Payroll Calculations
- Effectiveness of Internal Audit and Audit Committees
- Police System Replacement Project.

The report on the Effectiveness of Internal Audit and Audit Committees was completed and tabled in July 2025.

We are actively observing what is happening around us to identify topics we believe would be of interest to Parliament and Territorians more broadly. The potential topics for our future audits must be within the Auditor-General's mandate. We then consider whether the potential topics are auditable, whether the timing is right and any other recent reviews or inquiries related to the topic.

Identified topics are prioritised based on risks, such the prospective cost or reputational damage to the Territory, non-compliance with legislation or the likelihood for mismanagement or maladministration.

This year, we sought feedback from the Public Accounts Committee and public sector entities on topics for non-financial audits. The topics were grouped into areas which generally aligned with government and therefore budget priorities.

The feedback we received was incorporated into the final list of potential topics.



INFRASTRUCTURE



The 2025-26 infrastructure program totals \$4.34 billion and follows a review and reprioritising of previous projects. Decisions on public infrastructure projects should be based on long-term assets management plans that consider infrastructure needs over the coming decades. Climate change will undoubtedly impact infrastructure over the coming decades.

By sector, transport and social infrastructure projects comprise 73% of capital works. A study on infrastructure risk by Infrastructure Australia found that many critical infrastructures project risks, such as ground conditions, are least well understood in early planning.

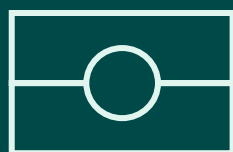
Follow-up audit	Assess the extent to which recommendations from previous audits of infrastructure projects have been implemented.
Long-term capital expenditure planning	Sustainable infrastructure is a significant risk and should be priority for any government. This audit will aim to assess whether selected agencies have established effective long-term infrastructure plans that reflect Territory priorities for services and assets and promote financial sustainability.
Changing climate	Governments at all levels face damaging weather events that may impact the assets they use to provide services and infrastructure to communities. This audit will aim to examine how effectively government agencies plan and manage infrastructure to withstand future climate conditions to reduce the potential for loss from damage and disruption to communities.



HEALTH

Health expenditure increased to \$2.3 billion in the 2025 Budget and represents the single largest area of government spending. The Department of Health employs almost 7,500 FTEs with 60% of the budget allocated to employee expenses.

Follow-up audit	Assess the extent to which recommendations from previous audits concerning the Department of Health have been implemented.
Fraud	Fraud causes financial damage to defrauded entities and impacts the funds available for the delivery of government services. The objective of this audit is to assess the effectiveness of the Department of Health's fraud control arrangements across different areas.
Payroll management	Enterprise agreements contain complex rules which may be difficult to implement in often outdated payroll systems. Failure to accurately record hours of work, timesheet input and coding errors, incorrect payroll configuration and coding, particularly relating to overtime, penalties, loading, allowances and superannuation guarantee increase the risk of errors in payroll. Government agencies must take a proactive approach to ensuring employees are paid their entitlements correctly. This audit will examine the payroll control environment and existing processes and systems to manage the risk of non-compliance



FIRST NATIONS TERRITORIANS

Many factors contribute to the disadvantage experienced by Aboriginal and Torres Strait Islander Territorians who experience high rates of social disadvantage, poverty and are overrepresented in the justice system.

The 2025 Budget provides a record \$495 million for corrections.

Follow-up audit	Assess the extent to which recommendations from previous audits concerning Aboriginal programs have been implemented.
Criminal justice system	The Department of Corrections is responsible for both Correctional Services and Youth Justice. This audit will aim to examine supports, programs and opportunities for the diversion of young people away from the justice system, the rehabilitation of people in custody and post release to reduce recidivism.
School funding and attendance	The 2025-26 budget saw a significant increase for initiatives aimed at increasing school attendance. This audit will aim to examine the effectiveness of programs aimed at raising school attendance and engagement. In addition, the recently announced funding agreement between the Australian and Northern Territory governments commits to lifting NT public school funding. Given the scale and purpose of this investment, this audit will focus on the efficacy of fund allocation and educational outcomes in remote communities, where resourcing and delivery challenges are most acute.



INFORMED TERRITORIANS

Government departments and agencies collect and store vast amounts of personal data. Territorians want to know that the information the government holds is safe. Territorians also have the right to know the activities of their government, including information the government holds about them or about government policies and decisions.

Computer information systems	The reliance on information technology and sometimes outdated IT systems increased the risk of cyber security incidents, such as breaches of private information or loss of data. This audit will aim to examine the effectiveness of cyber security in relevant government agencies and strategies to update and/or replace legacy systems.
------------------------------	--

There is potential for some audits to be extended to other government departments and agencies, such as:

- NT Police Force, NT Fire and Rescue Services (including Bushfire NT) and the Department of Corrections also provide essential services across the Territory. While overtime allows the delivery of those services at all times, it comes at a significant cost for these agencies.



- Department of Tourism and Hospitality is responsible for the management of a diverse portfolio of assets through its Parks and Wildlife Division. Examining long-term sustainability, maintenance practices and whole-of-life asset planning would offer valuable insights, particularly in the context of growing visitation levels and climate-related impacts on public infrastructure.

This is an ambitious plan that adds to our primary responsibility to conduct financial audits and is contingent on changing our approach to the audit of the Treasurer's Annual Financial Statement.

The recently revised Group Audit Standard ASA 600 *Audits of a Group Financial Report (Including the Work of Component Auditors)* encourages a greater focus on identifying and assessing the risks of material misstatement and on planning the approach to obtaining sufficient appropriate audit evidence.

At its essence, the revised ASA 600 is a risk-based standard, that can be characterised as thinking about what work is to be performed, how and by whom and where that work is to be performed. The intent of the standard is that the right work is done by the right people at the right locations.

As the focus of controls and compliance audits and end of year reviews will changes, we will consider undertaking thematic reviews that address core and high-risk areas, such as procurement, recruitment, conflict of interest, delegations and whistleblower protection. Other high-risk area is the administration of grants, considering the increased funding flowing through various government initiatives and programs.

PERFORMANCE INDICATORS

The sole purpose of the NTAGO is to support the Auditor-General in the discharge of the Auditor-General's responsibilities under the *Audit Act 1995* and other legislation.

The purpose is reflected in the NTAGO's mission, which is to help Parliament to hold Government accountable for its use of public resources by providing independent audits.

The NTAGO achieves its mission by:

- undertaking audits of financial statements of Territory entities and the Treasurer's Annual Financial Statement and issuing audit opinions on their compliance with relevant accounting standards and legislation
- undertaking other assurance engagements, including performance management system audits, information technology, controls and compliance audits and reviews
- reporting audit findings, including deficiencies in internal control identified during audits and providing recommendations to accountable officers
- undertaking reviews of matters referred under the *Public Information Act 2010* (until August 2025)
- reporting to Parliament on the outcomes of financial statements audits and other assurance engagements and reviews
- managing outsourced audits and own assurance activities efficiently and effectively to achieve quality audits.

Our new key performance indicators were designed to measure how the NTAGO is achieving its goals over time.

KPI Measure	Target 2026
Average number of days after balance date to issue audit opinion	100 days
Average number of months to complete performance management system audits	12 months
Average number of months to complete Public Information Act referral	3 months
Members of the Legislative Assembly satisfaction	≥ 75%
Implementation of audit recommendations	≥ 70%
Client satisfaction	≥ 60%



Key Performance Indicator

KPI Measure	Average number of days taken after balance date to issue financial audit opinions
KPI target	100 days
Target rationale	The above KPI target allows for the monitoring and reporting of the timeliness of financial reporting. It measures the time it takes for audited entities to finalise their financial statements, for the NTAGO and its contracted auditors to finalise the audits and for the Auditor-General to issue auditor's reports. Timely financial reporting ensures that Parliament is better informed and enables entities to release resources for other important financial management tasks, thereby improving the overall transparency, efficiency and financial management of the public sector.
Material variance	A material variance would be a variance of greater than 10 days
Limitations and risks	Adopting good financial reporting practices throughout the year is the major factor contributing to most entities being able to complete their financial statements in a timely and efficient manner. Where the monthly financial reporting process is not aligned with the preparation of the annual financial statements, entities experience difficulty and delay in completing their year-end processes and the audit process. Material errors and problems identified during year-end and the availability of suitably qualified staff may delay the finalisation of year-end reporting. Approval of an extension to the entity's statutory reporting timeframes will also impact the audit completion times.

Key Performance Indicator

KPI measure	Average number of months taken to complete Performance Management System audits
KPI target	12 months
Target rationale	The main phases of a performance management system audit involve audit planning (including defining the audit objective, scope and audit criteria), audit fieldwork, and reporting. Within these phases are several key steps and milestones. Once the Auditor-General has decided to undertake the performance management system audit, the accountable authority of the entity whose operations or activities are the subject of the audit is notified of the decision, including the objective, criteria and terms of the audit.

Key Performance Indicator	
	Timely reporting ensures that Parliament is better informed, ensures that identified risks and shortcomings are addressed in a timely manner and enables entities to release resources for other important tasks, thereby improving the overall transparency, efficiency and management of the public sector.
Material variance	A material variance would be a variance of greater than 1 month.
Limitations and risks	Completion of the Performance System Audits is subject to the receipt of complete and accurate information for the audit and the availability of relevant entity staff. The NTAGO may engage with other entities or stakeholders whose operations or activities are directly the subject of the audit and who may be required to provide information and documents for the purpose of the audit. The Auditor-General may choose to include another entity at any stage.

Key Performance Indicator	
KPI measure	Members of the Legislative Assembly satisfaction
KPI target	Greater than or equal to 75% Satisfaction rating for the Auditor-General's Office
Target rationale	Stretch target for the first Parliament survey to ascertain satisfaction
Material variance	A material variance would be a variance of greater than 10%
Limitations and risks	Low participation rates hinder accurate measurement of satisfaction, leading to skewed data and limited insights.



Key Performance Indicator

KPI Measure

Implementation of Audit Recommendations

KPI target

Greater than or equal to 70%

Target rationale

In order to derive the intended benefit, audit recommendations should be effectively implemented in a timely manner.

The purpose of the NTAGO is to contribute to the accountability and transparency in the public sector through independent audits and reporting to Parliament. Audit recommendations identify risks and shortcomings to the successful delivery of outcomes and the appropriate use of public resources. Recommendations can specify actions aimed at addressing those risks and identify opportunities for improvement. The adequate and timely implementation of agreed recommendations is an important element of realising the full benefit of those recommendations and serves to demonstrate commitment to improving public administration.

Material variance

A material variance would be a variance of greater than 10%

Limitations and risks

Poor implementation planning, resource constraints or the lack of systems in place to monitor and track the implementation of recommendations in audited entities.

Key Performance Indicator

KPI measure

Client satisfaction

KPI target

Greater than or equal to 60% satisfaction rating

Target rationale

Stretch target for the first client survey to ascertain satisfaction

Material variance

A material variance would be a variance of greater than 10%

Limitations and risks

Low participation rates hinder accurate measurement of satisfaction, leading to skewed data and limited insights.

APPENDIX A

NTAGO audit clients

- Aboriginal Areas Protection Authority
- Attorney-General's Department
- Batchelor Institute of Indigenous Tertiary Education
- Board of the Museum and Art Gallery of the Northern Territory
- Charles Darwin University
- Cobourg Peninsula Sanctuary and Marine Park Board
- Darwin Waterfront Corporation
- Data Centre Services
- Department of Agriculture and Fisheries
- Department of Children and Families
- Department of Corporate and Digital Development
- Department of Corrections
- Department of Education and Training
- Department of Health
- Department of Housing, Local Government and Community Development
- Department of Lands, Planning and Environment
- Department of Logistics and Infrastructure
- Department of Mining and Energy
- Department of People, Sport and Culture
- Department of the Chief Minister and Cabinet
- Department of the Legislative Assembly
- Department of Tourism and Hospitality
- Department of Trade, Business and Asian Relations
- Department of Treasury and Finance
- Desert Knowledge Australia
- Indigenous Essential Services Pty Ltd
- Land Development Corporation
- Menzies School of Health Research
- Motor Accidents (Compensation) Commission
- Nitmiluk (Katherine Gorge) National Park Board
- Northern Territory Electoral Commission
- Northern Territory Fire and Emergency Service
- Northern Territory Legal Aid Commission
- Northern Territory Major Events Company Pty Ltd
- Northern Territory Police Force
- Northern Territory Police Supplementary Benefit Scheme
- Northern Territory Treasury Corporation
- NT Build
- NT Fleet
- NT Home Ownership
- Office of the Independent Commissioner Against Corruption
- Office of the Public Trustee for the Northern Territory
- Ombudsman's Office
- Power and Water Corporation
- Power Generation Corporation (Territory Generation)
- Power Retail Corporation (Jacana Energy)
- Territory Wildlife Parks



APPENDIX B

The table below lists the entities and the type of audit or reviews that were commenced in 2024-25, including one internal audit. It includes the reported 44 financial audit and review opinions, including end of year reviews, with 26 opinions issued on financial statements. The Office has some financial statement audits that contribute to one opinion, such as the Department of Treasury and Department of Corporate and Digital Development.

Entity name / Engagement type	Acquittal	2024 End of Year Review	2024 Financial Statement Audit	2025 Interim Audit	IT Support	IT Support - interim	Other Assurance	Agency Controls/ Compliance Audit	Total
Aboriginal Areas Protection Authority		1						Cancelled	1
Attorney-General's Department		n/a						1	1
Batchelor Institute of Indigenous Tertiary Education			1	1	1	1			4
Board of the Museum and Art Gallery of the Northern Territory			1						1
Charles Darwin University	1		1	1	1	1			5
Cobourg Peninsula Sanctuary and Marine Park			2						2
Darwin Waterfront Corporation			1	1					2
Data Centre Services			1						1
Department of Agriculture and Fisheries		n/a						1	1
Department of Children and Families		n/a						1	1
Department of Corporate and Digital Development		2			5			4	11
Department of Corrections		n/a						1	1
Department of Education		1						n/a	1
Department of Education and Training		n/a						1	1
Department of Environment, Parks and Water Security		1						n/a	1
Department of Health	2	1						1	4
Department of Housing, Local Government and Community Development		n/a						1	1
Department of Industry, Tourism and Trade		1						n/a	1
Department of Infrastructure, Planning and Logistics	4	1						n/a	5
Department of Lands, Planning and Environment		n/a						1	1
Department of Logistics and Infrastructure		n/a						1	1
Department of Mining and Energy		n/a						1	1
Department of People, Sport and Culture		n/a						1	1
Department of Territory Families, Housing and Communities		1						n/a	1
Department of the Attorney-General and Justice		1						n/a	1



Entity name / Engagement type	Acquittal	2024 End of Year Review	2024 Financial Statement Audit	2025 Interim Audit	IT Support	IT Support - interim	Other Assurance	Agency Controls/ Compliance Audit	Total
Department of the Chief Minister and Cabinet	1	1					2	1	5
Department of the Legislative Assembly		1						1	2
Department of Tourism and Hospitality		n/a						1	1
Department of Trade, Business and Asian Relations		n/a						1	1
Department of Treasury and Finance		1	1	1			1	1	5
Desert Knowledge Australia			1	1					2
Indigenous Essential Services Pty Ltd			1	1					2
Land Development Corporation			1	1					2
Menzies School of Health Research			1	1					2
Motor Accidents (Compensation) Commission			1	1	1	1			4
Nitmiluk (Katherine Gorge) National Park Board			1						1
Northern Territory Auditor-General's Office								1	1
Northern Territory Electoral Commission		1						Cancelled	1
Northern Territory Fire and Emergency Service		1						1	2
Northern Territory Legal Aid Commission			1						1
Northern Territory Major Events Company Pty Ltd			1	1					2
Northern Territory Police Force		1						1	2
Northern Territory Police Supplementary Benefit Scheme			1						1
Northern Territory Treasury Corporation			1	1					2
NT Build			1						1
NT Fleet			1	1					2
NT Home Ownership			1	1					2
Office of the Independent Commissioner Against Corruption		1						1	2
Office of the Public Trustee for the Northern Territory			1	1					2
Ombudsman's Office		1						Cancelled	1
Power and Water Corporation			1	1	1	1	1		5
Power Generation Corporation (Territory Generation)			1	1	1	1			4
Power Retail Corporation (Jacana Energy)			1	1	1	1			4
Selected Agencies								1	1
Territory Wildlife Parks			1						1
Grand Total	8	18	26	17	11	6	4	25	115



This page is intentionally



left blank



T: +61 8 8999 7155
E: nt.audit@nt.gov.au



<https://ago.nt.gov.au/>



Northern Territory
Auditor-General's Office