



Government of Western Australia
Department of Treasury and Finance



CFO Webinar

May 2026





Acknowledgement of Country

We respectfully acknowledge the Traditional Custodians, the Whadjuk people on whose Country we are meeting on today and pay our respects to their Elders past and present.

We also extend our respect and acknowledgment to all Traditional Custodians and Aboriginal communities throughout Western Australia and their continuing connection to Country, culture, and community.

We acknowledge and pay tribute to the strength and stewardship of Aboriginal people in sustaining the world's oldest living culture and value the contribution Aboriginal people make to Western Australia's communities and economy.



Agenda

Opening Remarks

Brendan Davies, Assistant Director Financial Policy and Operations

Procurement Professionalisation Strategy 2026–2030

Andrew Davy, Assistant Director Social Procurement & Sector Capability

Financial Policy Update

Mark Hort, Principal Financial Advisor Financial Policy and Operations

2024 Annual Financial Audits

Grant Robinson, Assistant Auditor General

Close

CFO Forum – What We Heard

Feedback on the previous format highlighted a few key challenges

- Timing not always convenient
- Too presentation-heavy
- Some topics felt more operational than strategic
- Limited practical takeaways
- Not all sessions resonated equally with participants
- Not enough time for questions and interaction

A change in format

To make the forum more interactive, relevant, and valuable

Webinar Style Format

- Available to all finance officers
- More focused presentations
- Short, targeted insights on key issues impacting the sector
- More flexible delivery

CFO working Group Format

- Greater emphasis on discussion
- Dedicated time for questions, reflections and shared experience
- Stronger cross-agency engagement
- Opportunity to learn from each other and compare approaches



Government of Western Australia
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C F O F O R U M · M A Y 2 0 2 6

Procurement as a governance and value question

What the 2025 benchmarking data tells us and what it means for you.

Andrew Davy

Assistant Director, Social Procurement & Sector Capability



Why I'm Talking to CFOs About This

Procurement sits under you — but it rarely gets the conversation it warrants.

\$25.3B

WA GOVERNMENT
PROCUREMENT SPEND

Total spend across goods, services, works and community services in 2024–25. Material to every agency's bottom line — but few CFOs have clear visibility of how well it's being managed.

39%

OAG PROCUREMENT -
RELATED AUDIT
FINDINGS

Of 89 expenditure control weaknesses reported by the WA Auditor General across 54 entities in 2025, 39 per cent related to procurement. One led to a qualified audit opinion.

63.6%

NEW HIRES RECRUITED
INTERNALLY

The workforce has limited capability pipeline and unclear progression. Role expectations vary widely. Succession planning is ad hoc in most agencies.

Three reasons why procurement capability should be a CFO question, not a purely operational one.

The Evidence

2025 Benchmarking Survey — 31 agencies.

The first sector-wide picture of procurement capability. Conducted by DTF with Grosvenor Procurement Advisory. 31 agencies assessed across function management, procurement lifecycle, and enabling capability.



The headline: no agency reached the top two maturity levels. Only 35% reached 'Established'. The rest sit at 'Foundation' or 'Emerging' — mostly compliance-focused, reactive, under-resourced.

What The Data Means For You

Three questions worth asking about your own agency.

01

Do I know what capability we have?

Most CFOs can tell you their procurement headcount. Few can tell you whether the team has the right mix of skills for the agency's procurement profile — or where the single points of failure are. The data says most agencies haven't mapped this.

02

Do I know whether my CPO is being well-used?

CPOs report variously to CFOs, Heads of Corporate Services, and occasionally to DGs. The reporting line shapes the conversation. If you're only hearing from your CPO about exemptions and variations, you may not be getting the strategic contribution the role is designed to deliver.

03

Do I know how my procurement function compares?

For the first time, the answer is available. Benchmarking Cycle 2 is due next FY. Cycle 1 showed 35% of agencies at Established. The question worth asking is not only where your agency sits — but what the data would say about trajectory over the next two years.

What DTF Has Built

A practical toolkit — free (to a good home), ready to use, built for WA.

Under the *Procurement Act 2020*, DTF has responsibility for building procurement capability across the sector. Over the past three years we've developed a suite of tools — endorsed by the Minister for Finance, evidence-based, and designed to be used by agencies without adding to their reporting burden.

USEFUL FOR YOU

Procurement Capability Matrix

What good looks like at every role level.

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CPO Success Profile

What effective procurement leadership looks like.

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Guidelines for Measuring CPO Success

How to evidence CPO impact.

Agency Implementation Guide

Seven practical levers for lifting procurement capability.

Standardised Job Description Suite

Plain-English role templates aligned to the matrix.

Contract Management Performance Guide

Principles and expectations for post-award practice.

The CPO Success Profile

What good CPO leadership looks like

Six core expectations. Evidence-based. Tied to agency outcomes, not just procurement activity.

1

Strategic leadership & influence

Procurement advice informs executive decisions. Aligned to agency priorities.

2

Governance, risk & integrity

Proportionate, risk-based governance. Active risk leadership.

3

Digital & data transformation

Decisions informed by data. Digital tools reduce manual effort.

4

Commercial excellence

Strong contract outcomes. Supplier performance managed actively.

5

Stakeholder engagement

Business-aligned engagement. Mature supplier relationships.

6

Workforce capability

Professional standards embedded. Capability and succession planned.

A simple test: when you have your next one-on-one with your CPO, which of these six are you talking about? If the answer is mostly risk and compliance — expectations 1, 4, 5, 6 are probably under-used.

Three Things You Could Do

None of them take much time.

THIS MONTH

1

Read the CPO Success Profile.

Skim the six expectations. Note which ones you don't hear about in your CPO conversations. That gap is your agenda for the next one-on-one.

WHEN A ROLE TURNS OVER

2

Use the PCM and the JDF suite.

Next time a procurement or contract management role becomes vacant, ask your HR lead to use the standardised JDF templates. Free. Classification-mapped. Saves you writing one.

WHEN IT'S TIME

3

Participate in Benchmarking

The 2027 Benchmarking Survey fieldwork will start late this year. If your agency participated in Cycle 1, this is your trajectory. If not, it's your baseline. Either way, the comparative data is only as useful as your participation.

**Professionalisation
Strategy launching
soon....**



**Western Australian
Procurement
Professionalisation
Strategy**

2026–2030



Happy to take questions.

WHERE TO FIND EVERYTHING

- **Professionalisation Strategy and full suite** *[WA.gov procurement website URL]*
- **CPO Success Profile & Guidelines for Measuring CPO Success** *[WA.gov procurement website URL]*
- **Benchmarking Survey Cycle 1 findings** *[Available to participating agencies on request]*
- **Contact DTF Sector Capability team** *[procurement advice mailbox email]*



Questions?



Thank you

Andrew Davy · Assistant Director, Social Procurement & Sector Capability
Department of Treasury and Finance



Government of Western Australia
Department of Treasury and Finance



Financial Policy Update



Mark Hort
Principal Financial Advisor
Financial Policy and Operations

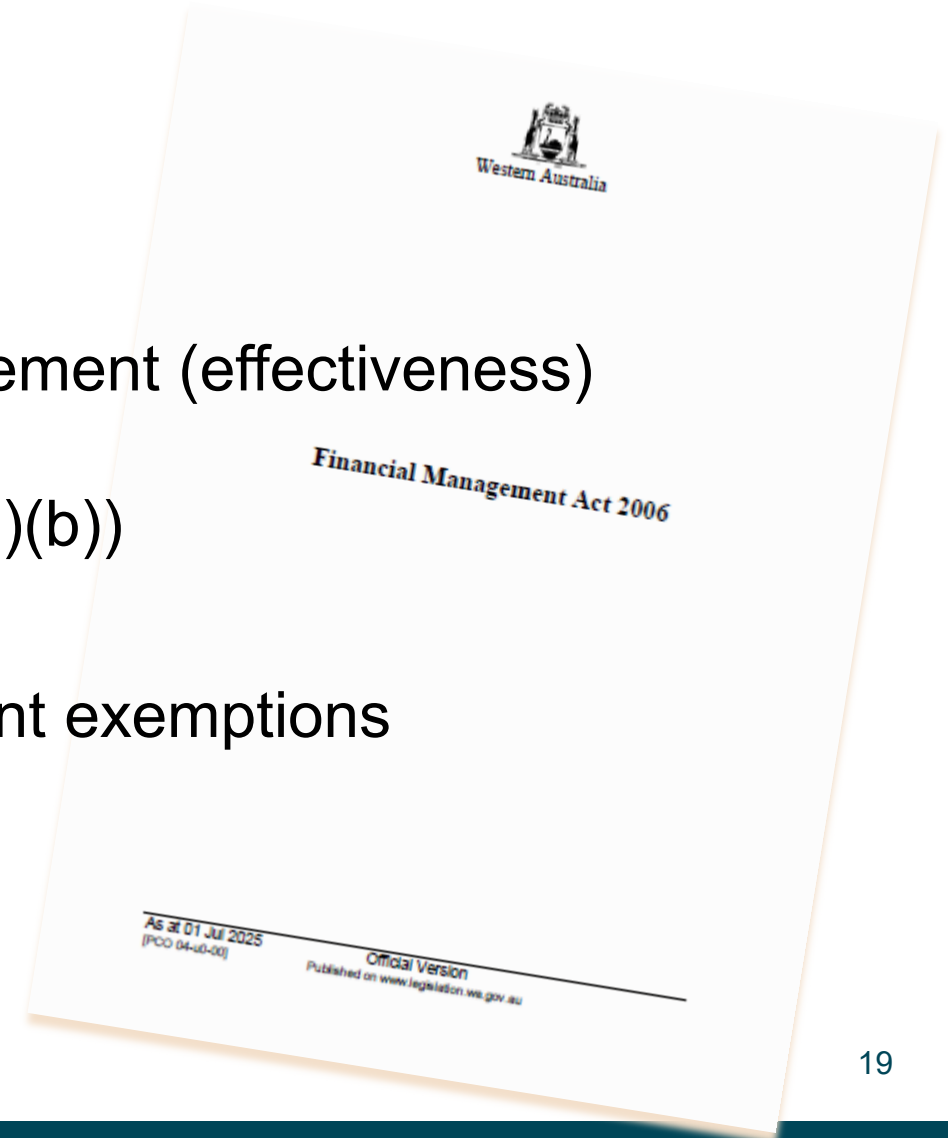


Overview

- Performance Reporting
- Valuations
- Reporting Matters
- Financial Policy matters
- Budgeting for capital projects
- Whole of Government timelines

Reporting Performance

- Performance include measures for:
 -  Doing things the right way (efficiency)
 -  Doing the right things / objective achievement (effectiveness)
- Default requirement for FMA agencies (s61(1)(b))
- Treasurer can modify requirement (direction)
- Treasurer's delegates limited in TI requirement exemptions



Performance Reporting

- Elements of the Outcome Based Framework



Government goals

- High-level policies or priorities
- Support the Government's vision



Outcomes

- Agency's intentions
- Why the agency exists



Services

- What is being delivered to achieve the desired outcomes



Key Performance Indicators (KPIs)

- Key Effectiveness Indicators
- Key Efficiency Indicators

Performance Reporting

- Reporting Key Performance indicators under FMA & TIs



Required: a measurement of efficiency for each Service

- Reports ratio of inputs versus outputs



Required: a measurement of effectiveness for each Outcome

- Reports achievement of outcome

- Treasurer has discretion to direct KPI reporting reduction:
 - One or more outcomes
 - One or more services
- Treasurer, or delegate, has discretion to exempt reporting for agreed KPIs where minimum FMA requirement remains met.

Performance Reporting

- Obtaining an exemption for KPIs
 - Get in early, *the clock is ticking!*
 - Engage early, discuss case for exemption or direction
 - June 30 is the absolute deadline



**FURTHER
ACTION
REQUIRED**

Approvals from the Under Treasurer for modifications of the OBM are not effective for KPI reporting requirements.

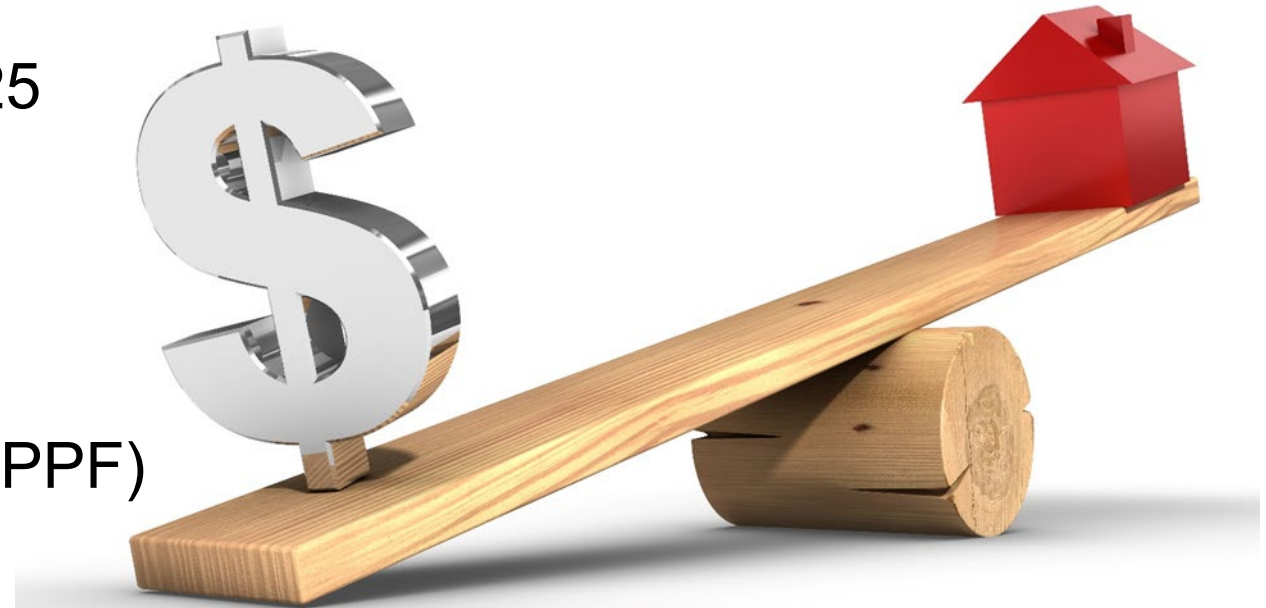


WARNING

1. Significant audit focus on KPIs
2. Agencies to show cause for exemption or direction
3. Treasury expected to undertake appropriate due diligence

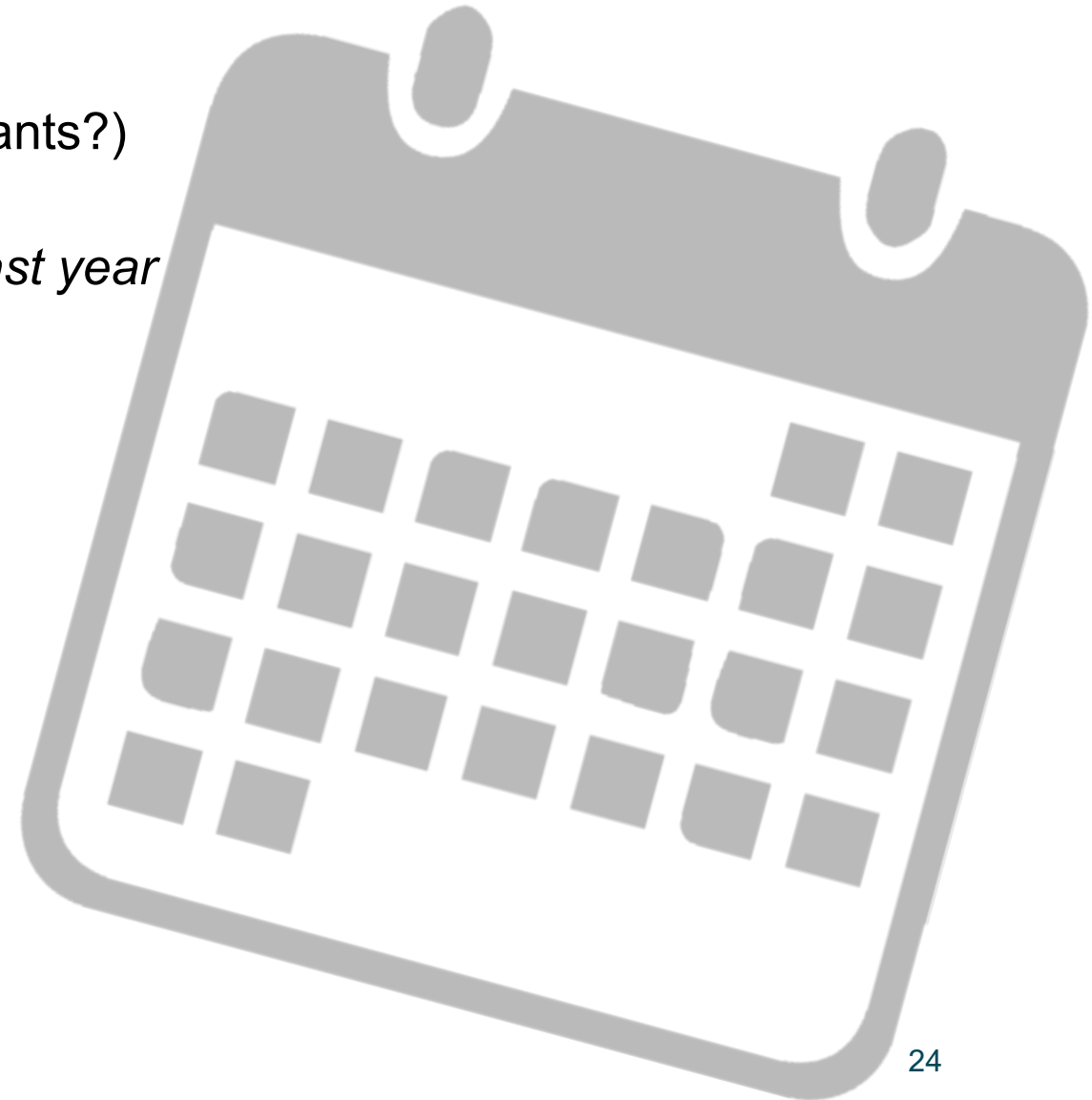
Valuations

- Recommendation: Adopt valuations as at 1 July 2025
- Valuation movements 2024-2025
 - Land
 - Buildings
 - Construction indices
- Professional and Project Fees (PPF)
 - TG Update
 - Not available from Landgate
 - Not relevant to current year builds



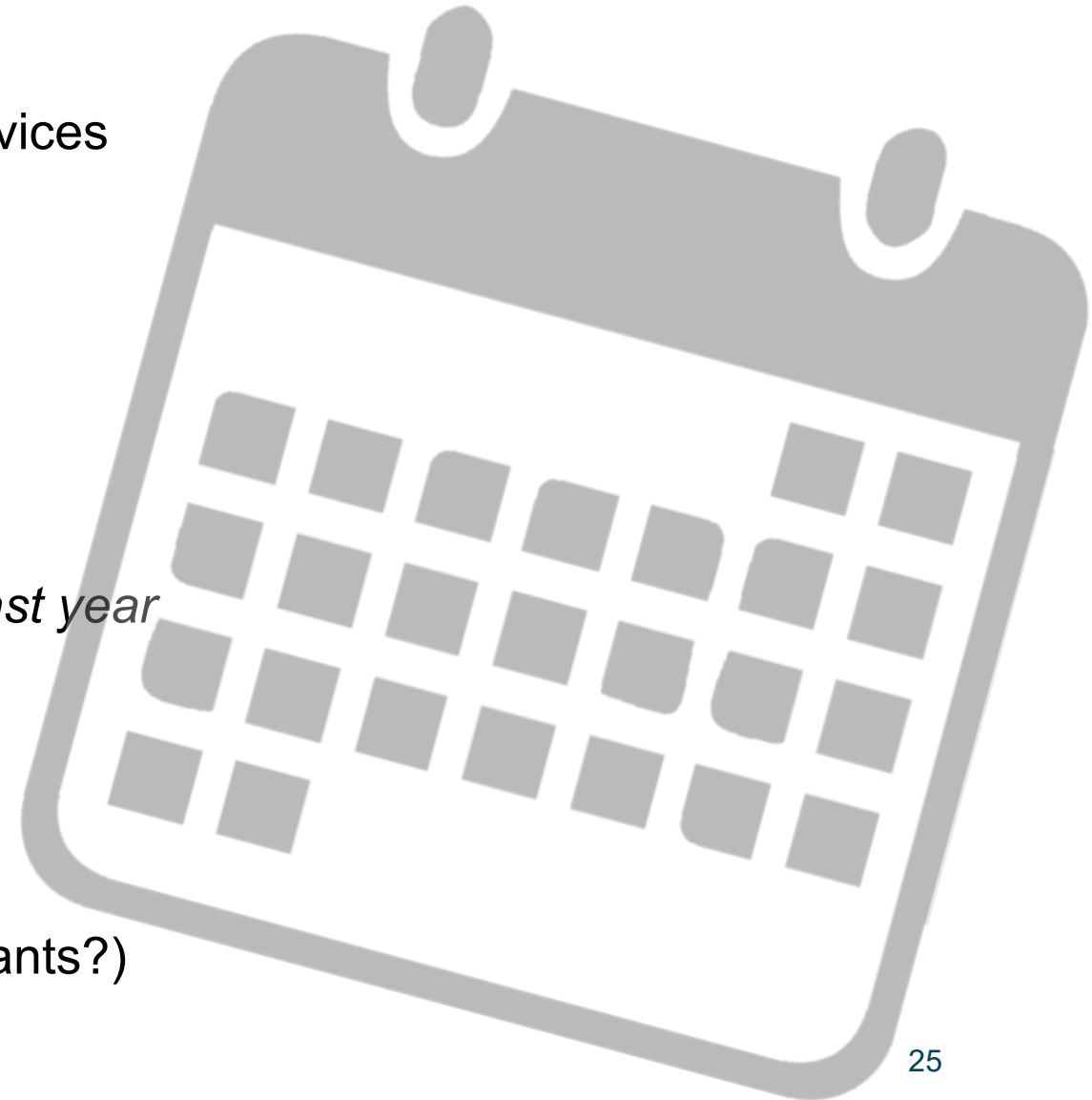
Financial Policy (Reporting) matters

- Model Annual Reports
 - Unaudited disclosures updated (WHS, Consultants?)
 - Public Sector Reform
 - Presentation – *Comparatives Remain from last year*
 - Disclosure – *Functions transferred*
 - Land Registrations - *are they up to date?*
- Various amendments to TIs and TGs
- Accounting Policy Positions
 - *Prepared Early*
 - *Ideally reviewed by audit at Interim Audit*
- Last Sitting Date
 - *17 September 2026*



Financial Policy (Reporting) matters

- Public Sector Reforms (PSR)
 - KPIs for PSR transitional corporate support services
 - Appropriate approvals for KPI changes
 - Treasurer direction; or
 - UT approval
 - Model Annual Reports
 - Presentation – *Comparatives Remain from last year*
 - Disclosure – *Functions transferred*
 - Land Registrations - *are they up to date?*
- Other key points for Models
 - Unaudited disclosures updated (WHS, Consultants?)

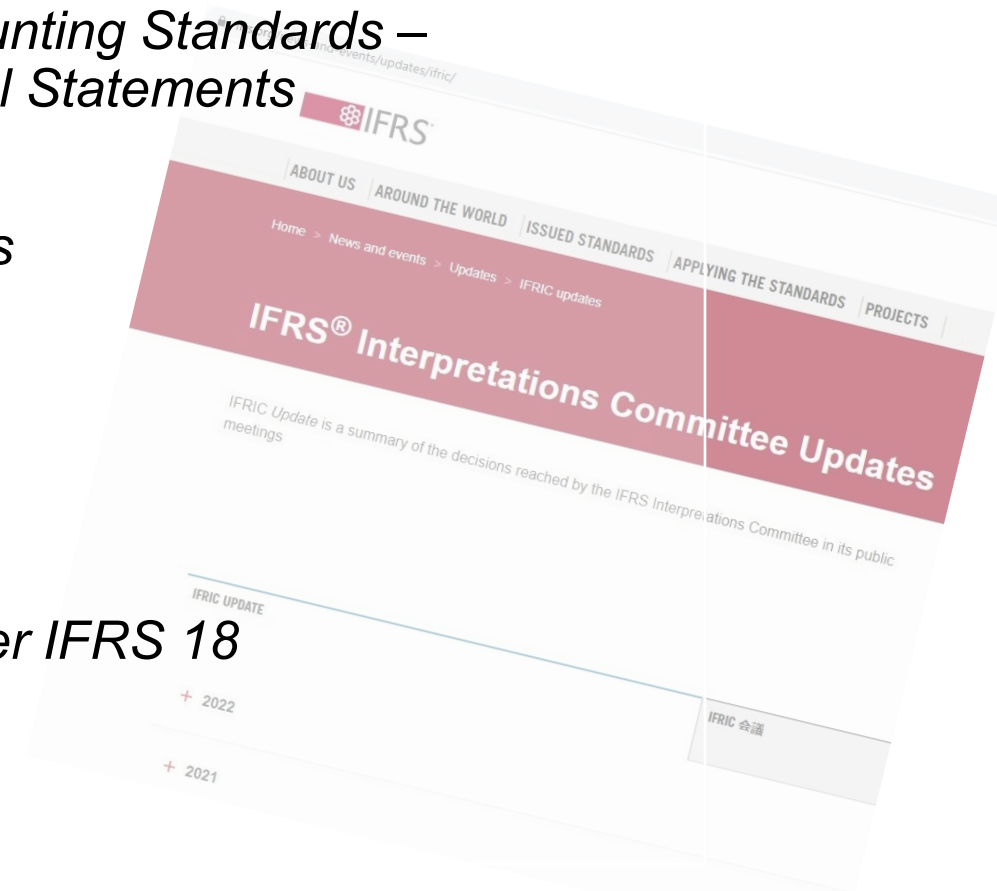


Financial Policy (Reporting) matters

July to June 2026

GAAP Changes - AASB & IFRIC Decisions

- *AASB 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*
- *Classification of variation margin call cash flows*
- *Guarantees issued*
- *Revenue recognition – tuition fees*
- *Climate-related expenditure*
- *Indicators of hyperinflation*
- *Presentation, classification and disclosure under IFRS 18*



Financial Policy (Reporting) matters

January to June 2027

GAAP Changes - AASB

- *AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*
- *AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11*
- *AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity*

Financial Policy (Reporting) matters

January to June 2029

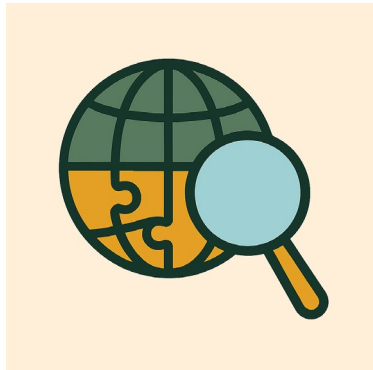
GAAP Changes - AASB

- *AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2024-4b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements [for not-for-profit and superannuation entities]*
- *AASB 2025-4 Translation to Hyperinflationary Presentation Currency*

Financial Policy matters

- Reporting

- Applying new accounting standards & IFRIC decisions
- Disclosures of PSR function transfers



- Governance

- Internal Audit Standards (effective January 2025)
- FMM Review and Certifications



Questions?



CFO Forum - Webinar

Grant Robinson
Assistant Auditor General – Financial Audit
27 May 2026



Agenda

- Focus areas for 2026 reporting cycle:
 - Public Sector Reform entities
 - Valuations in the State sector
 - Key Performance Indicators
 - Information Systems
- Financial reporting timeline
- Audit tenders and contract extensions
- Survey results

Focus areas for 2026 reporting cycle



Office of the Auditor General
Serving the Public Interest

Public Sector Reform

- A Restructure of Administrative Arrangements (ROAA) under AASB 1004
 - Contribution by owners (CBO)/Distribution to owners (DTO) at book value in equity
 - Assets and liabilities transferred at book value
 - Continuing entities – comparatives (not restated) should be presented; revaluation reserves carried forward
 - Newly created entities – no comparatives should be presented; no revaluation reserves carried forward
 - Relevant disclosures should be made (e.g. nature of PSR change, date, activities transferred, assets and liabilities transferred, counterparty transferor/transferee, expenses/income attributable to the transferred activities, accounting policy)
 - Impact on BAU



Valuations in the State Sector



- Landgate update for 2025/26
 - Current Replacement Cost of current use buildings – PPF still not included
 - Agencies must add PPF separately
 - TG8.C5.7.7 guidance e.g. use DTF indicative PPF rates
 - Landgate covering memo to accompany each agency's valuation roll
 - Commentary on CY's valuation (to preempt agency queries – lesson from LY)
 - No change in valuation methodology

Key Performance Indicators

- Prior approval from Under Treasurer required **on or before** the end of the reporting period for any changes that add, modify or discontinue outcomes, services or key effectiveness/efficiency indicators
- Prior approval from the Treasurer required **on or before** the end of the reporting period where changes result in an agency not reporting:
 - A key effectiveness indicator for an outcome;
or
 - A key efficiency indicator for a service (or a key cost effectiveness indicator for an outcome).



Key themes from IS audit work



Overstated Cyber Maturity

When control effectiveness is not tested, it can create an inaccurate sense of assurance and weaken risk-informed decision-making.



Information and Cyber Security controls continue to be an area of concern

Weaknesses in identity and access management, together with endpoint and network security increase the risk of unauthorised access and leave entities more exposed to cyber attacks.



Review the use of AI

This is an emerging area and, where it is used for information handling or financial reporting, should be reviewed and tested.

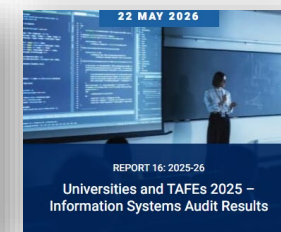


Legacy systems

Entities continue to rely on legacy systems. These systems not only introduce security risks but also limit innovation and are inefficient.

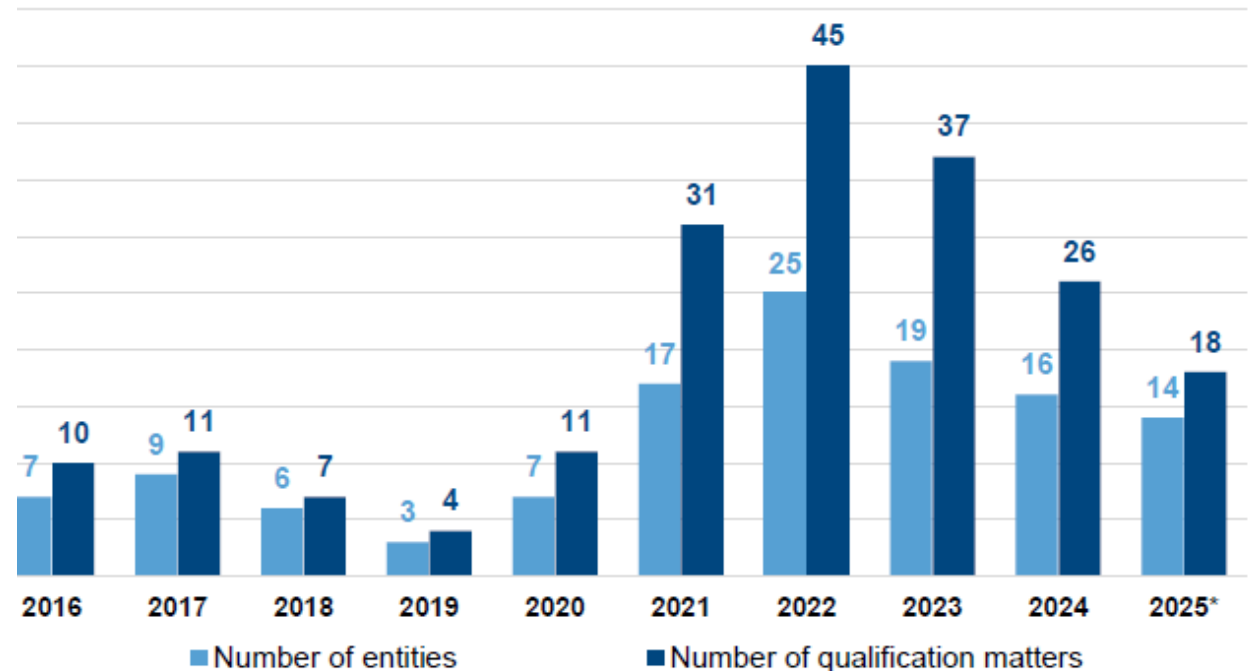
In a connected environment that depends on third parties, it is essential for audit teams to develop a sound understanding of the entity's IT control environment and how effective those controls are.

Recently tabled reports



Qualification levels

- Levels of qualifications remain elevated above 2020 levels.
- Focus must be on progressing these.
- PSR may challenge this



Source: OAG

number of qualifications in 2025 does not include the nine entities which were not completed October 2025.

1: Entities with qualified opinions and number of qualification matters for last 10 years

Financial reporting timeline



Office of the Auditor General
Serving the Public Interest

Financial reporting timeline & best practice guide

LEGISLATED

27 September

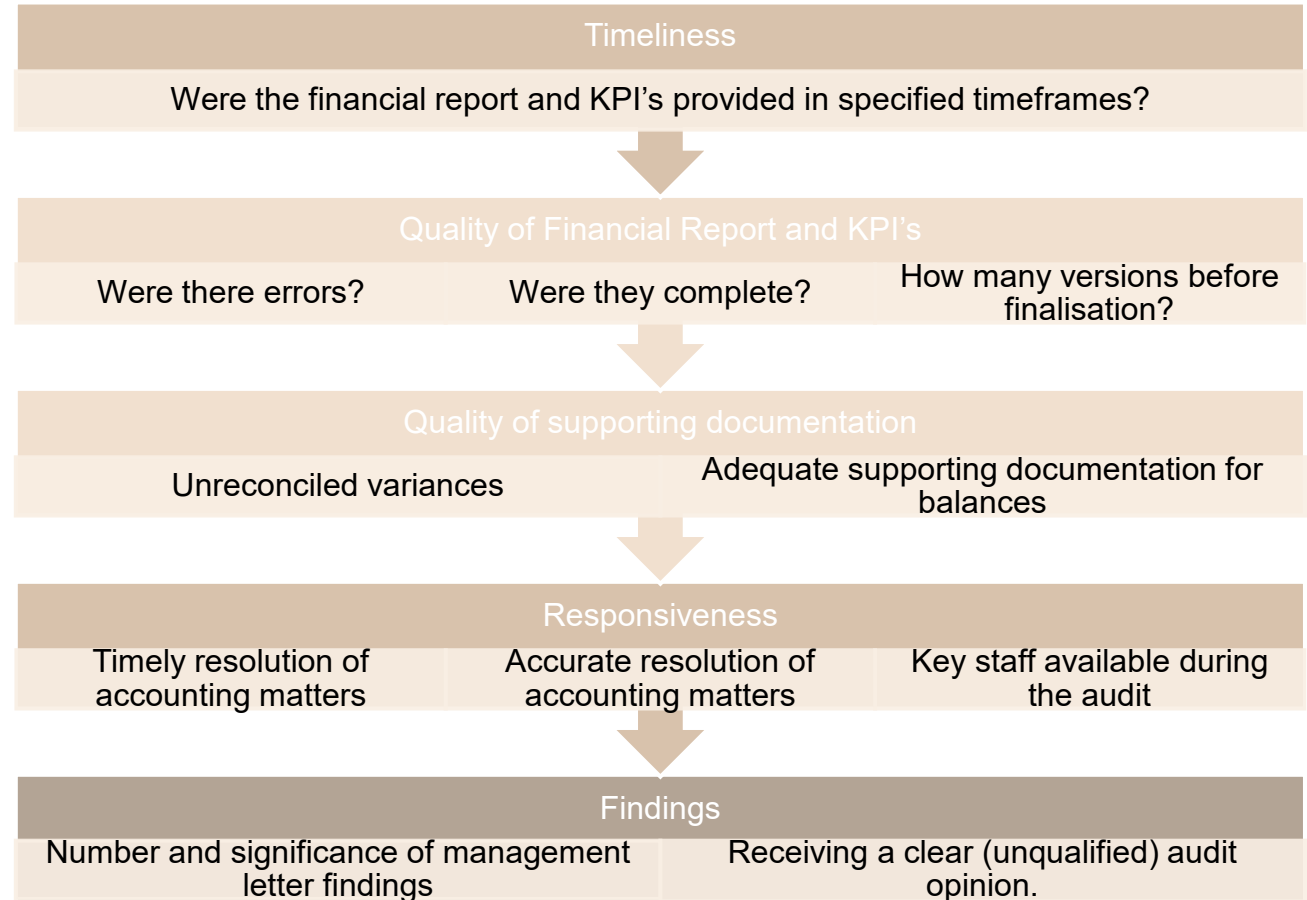
OAG required to have completed annual financial KPI's and control audits (90 days)

Last Parliament sitting date
17 September 2026

SEPTEMBER



**State
government**



An aerial view of a city skyline, likely Auckland, New Zealand, with a blue overlay. The image shows various skyscrapers and buildings, including one with a 'Rio Tinto' sign. The text 'Audit tenders and contract extensions' is overlaid in white.

Audit tenders and contract extensions



Office of the Auditor General
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Audit tenders and contract extension process



23 accredited audit firms



Processes enhanced to ensure there's greater consultation with the entity



OAG continuing to bring more audits in-house – 6 for FY2027



14 State audits being retendered

- State audit tender process commencing June and aiming to be finalised by mid-August



10 State audits up for extension

- Extension quotes to be sought in June

Survey results



Office of the Auditor General
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State government – sector survey results

Quality of audit process

90%



Quality of audit reporting

88%



Value of financial statement audit

91%



Value of performance indicator audit

93%



Value of information systems audit

85%





Entity feedback

- Onsite presence is valued
- Timely wrap up of audit
- OAG and CAF positions need to be aligned
- Professionalism and preparedness of audit team is appreciated
- Auditor continuity is important
- Timely information requests
- Be cognisant of workload on entity staff



An aerial photograph of a city skyline, likely Sydney, Australia, featuring the Sydney Opera House and the Sydney Harbour Bridge. The image is overlaid with a semi-transparent blue filter. The word "Questions?" is written in large, white, sans-serif font across the center of the image.

Questions?

OAG

Office of the Auditor General
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Closing Remarks



Whole of Government timelines 2025-26

Day	Date	Event
Fri	24 July	Initial SIMS submission for ARSF
Fri	14 August	Agency /Audit initiated adjustment
Mon	24 August	CFO confirmation - audit adjustments (> 2m)
Sat	10 October	First quarter actuals data



SIMS Data Issues: financial.reporting@dtf.wa.gov.au

SIMS System Issues: Sims.Helpdesk@dtf.wa.gov.au