



MEDIA RELEASE

NSW AUDIT OFFICE ON RIGHT TRACK

The Public Accounts Committee today tabled the report of an independent review of the Audit Office of New South Wales, announced Committee Chair, Noreen Hay MP.

The Auditor-General is the external auditor of the State. Each year, his Office conducts financial audits of the more than 400 state agencies. It also reviews the efficiency and effectiveness of some programs in performance audits and tests agencies' compliance with a selection of legislation and guidelines.

“Because the Audit Office is the key agency for ensuring accountability for public money, the Parliament needs to know that it is doing the best job it can,” said Ms Hay.

“Every three years, the Public Accounts Committee appoints an independent person to look at the auditing practices and standards of the Auditor-General and to test how well they are being met. After a tender process, we appointed Masters Le Mesurier and Pitcher Partners to conduct the 2006 review,” said Ms Hay.

The Reviewers were asked to look at all aspects of the Audit Office's operations according to terms of reference developed by the Committee.

“The Committee is pleased with the Review's overall finding that the Audit Office delivers its services in accordance with professional and legal standards.

“We are confident that the Reviewers followed a robust and rigorous process. They identified some minor instances where the Office was not meeting requirements of the auditing standards but these have been addressed,” said Ms Hay.

In interviews with a random sample of agencies, the Reviewers found there was a high level of satisfaction with the performance and professionalism of Audit Office staff.

“The Committee is particularly pleased that, even though the Audit Office is a monopoly supplier of financial audit services, its fees are not consistently higher or lower than those charged by private sector firms for auditing comparable agencies,” said Ms Hay.

The Reviewers made nine recommendations for improvement to the way the Audit Office worked. These included improvements to the documentation for financial audits to show that internal audit information has been considered in planning audits. They also recommended that the Audit Office improve its communication of information, such as when expert staff had been used in performance audits and when ideas from consultation on possible performance audit topics have been used.

The Audit Office agreed with all of these recommendations and will implement them as soon as it can.

“The Committee congratulates Masters Le Mesurier and Pitcher Partners for conducting a robust review and delivering a report that makes such a positive contribution to the management of the Audit Office,” said Ms Hay.

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View the report at: www.parliament.nsw.gov.au/publicaccounts.