



PUBLIC ACCOUNTS COMMITTEE TO EXAMINE OPERATION OF AUDIT COMMITTEES

The Committee will hold a series of public hearings on Wednesday 20, Friday 22 and Wednesday 27 October 2004 as part of its Review of the Operation of Audit Committees in NSW (see attached schedule). Agencies appearing include the Audit Office, NSW Police, Integral Energy and the Sydney Harbour Foreshore Authority.

The Review was initiated to follow up on the Auditor-General's Compliance Review of the Operations of Audit Committees in 2002 and to assess whether agencies are complying with recommended practices.

Committee Chairman, Matt Brown MP said, "The Committee has already circulated a questionnaire to selected NSW agencies to determine how effectively agencies are complying with the guidelines."

"It was pleased to receive responses from almost all agencies surveyed," said Mr Brown. The public hearings will be an opportunity for the Committee to hear first-hand from representatives of selected audit committees about the effects on the audit committee and the agency's operations of the recommendations. The Committee also wants to know about the lessons learned in that process."

In the 2002 Compliance Review, the Auditor-General found that while audit committees operate in most NSW Government agencies, they are not present in some of the larger agencies. He recommended that audit committees would be improved if:

- In government departments, at least one member of the committee is an independent person;
- Neither the CEO nor the chair of the board is chair of the audit committee;
- A formal annual assessment of the performance of the internal audit function is undertaken;
- In government departments, the audit committee oversees the preparation of the agency's annual financial report and assists the CEO during the audit process;
- Agencies report to external parties on committees' operations and expertise of members; and
- The performance of committee members is periodically reviewed.

OPERATION OF AUDIT COMMITTEES

PUBLIC HEARINGS - SCHEDULE OF WITNESSES

Time	Agency	Representatives
Wednesday, 20 October – Room 1254		
9am	Department of State and Regional Development	Mr Perce Butterworth, Executive Director, Policy and Resources (and Chair of Audit Committee); Ms Janine Ricketts, Executive Director, Business Strategy; Mr Michael Milligan, Director, Business Governance

Time	Agency	Representatives
Friday, 22 October – Waratah Room		
9am	Audit Office	Mr Bob Sendt, Auditor-General
10.00am	Sydney Harbour Foreshore Authority	Mr John Isaacs, Chair of Audit Committee; Mr Andrew Kelly, Executive Director, Business & Financial Services; James Smart, Acting Financial Controller
10.45am Morning Tea		
	NSW Police	Time and attendees as yet unconfirmed
12 noon	EnergyAustralia	Ms Lisa Maffina, Audit Committee representative; Mr Noel Kean, Chief Internal Auditor

Time	Agency	Representatives
Wednesday, 27 October – Room 1254		
9am	Integral Energy	Mr Richard Powis, CEO
9.45am	Department of Community Services	Mr Neil Shepherd, Director-General, and Chair of the Audit Committee