



## LEGISLATIVE ASSEMBLY

### Public Accounts Committee

Pursuant to section 48A of the *Public Finance and Audit Act 1983* (NSW), a review of the Audit Office must be conducted at least every four years. The Review will examine the current auditing practices and standards and compliance with those practices and standards in the carrying out of the Auditor-General's functions under the Act.

The Review should address the following terms of reference and report on:

- (a) The audit methodologies used by the Audit Office of NSW, having regard to:
  - i compliance with current professional standards and legal requirements and
  - ii compliance with statutory responsibilities under the *Public Finance and Audit Act 1983*
- (b) Whether the Audit Office has adequate resources to carry out its functions, with particular reference to the auditing of the local government sector;
- (c) The effectiveness of the Audit Office's communication with clients, particularly in relation to establishing a joint understanding of audits, the scope of compliance programs, and the provision of advice;
- (d) The management of external audit service providers including selection, performance monitoring and reporting;
- (e) The adequacy of internal review processes for quality control purposes, including the application of risk ratings to audit findings;
- (f) The adequacy of risk based assessments of future directions in auditing and management strategies to guide such changes;
- (g) Whether the Audits conducted by the Audit Office provide value for money by meeting their objectives and contributing to improved accountability by government agencies within New South Wales;
- (h) The Audit Office's response to the previous statutory review undertaken in 2017;
- (i) Any other matters that may be referred to the Review by the Committee during the course of the review.

