

**Submission
No 4**

EFFICIENCY AND EFFECTIVENESS OF THE AUDIT OFFICE OF NSW

Organisation: WorkCover Authority of NSW
Name: Ms Julie Newman
Position: Chief Executive Officer
Date Received: 1/05/2013

Date: 30 April 2013
Our Ref: WC00529/13

Mr Jonathan O'Dea MP
Chair
Legislative Assembly
Public Accounts Committee
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

Dear Mr O'Dea

Thank you for the opportunity to provide comment to the Public Accounts Committee's Inquiry into the efficiency and effectiveness of the Audit Office of NSW.

In relation to the areas of the terms of reference of this Inquiry that are relevant to the agencies of the Safety, Return to Work and Support Division the following comments are provided:

Whether the Audit Office of NSW provides value for money financial audits services, in comparison with the services and fees of similar organisations

As the Audit Office does not provide sufficient details for us to compare and contrast the fee charged for similar audits performed by either the Audit Office or other organisations we are unable to form an opinion regarding whether the Audit Office is providing value for money financial audit services.

This inquiry may be better placed to form an opinion on this issue across the whole of government.

Whether the Performance 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

WorkCover recently underwent a performance audit in relation to gifts and benefits. WorkCover was chosen to participate in this audit as it is a regulatory agency and was identified as being at greater risk of exposure to receiving gifts and benefits.

The Audit Office of NSW conducted this audit in a very professional manner and met the objectives of this performance audit. The recommendations made by the Audit Office of NSW have been incorporated into WorkCover's gifts and benefits policy.

The effectiveness of the Audit Office's communication with clients, particularly in relation to establishing a joint understanding of expected audit fees, the scope of performance and compliance programs and the provision of advice.

The agencies of the Safety, Return to Work and Support Division (SRWSD) have experienced improvements in communications with the Audit Office over the last few years. The Audit Office has listened to our concerns and made changes to the way they conduct their audits such as:

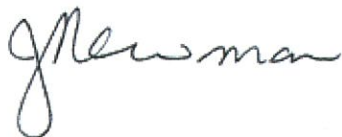
- Adopting a cluster wide approach to the audit of all the agencies that make up the Safety, Return to Work and Support division
- Having one Audit partner oversight all of the audits across the cluster
- Adopting a consistent approach to the conduct of these audits
- Leveraging of the work of other audits done across the cluster where the operations of the agencies interact

Overall these changes have resulted in the audits of the agencies of SRWSD being more effective and have definitely improved the communication of audit findings throughout the conduct of the audits to Management.

The Audit Office through its client service plans each year communicates clearly to its clients the expected fee for their financial audit. They also identify the key risk areas that they will examine during their audit and the timing and scope of the audit. This plan is developed in consultation with their clients and the discussions that occur during its development are beneficial to both the Audit Office and their clients.

If you have any queries in relation to these comments please contact the Acting Chief financial officer of the Safety, Return to Work and Support Division Ms Megan Hancock on 4321-5141 or email at megan.hancock@srwds.nsw.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Julie Newman', with a stylized, cursive script.

Julie Newman PSM
Chief Executive Officer
Safety, Return to Work and Support
