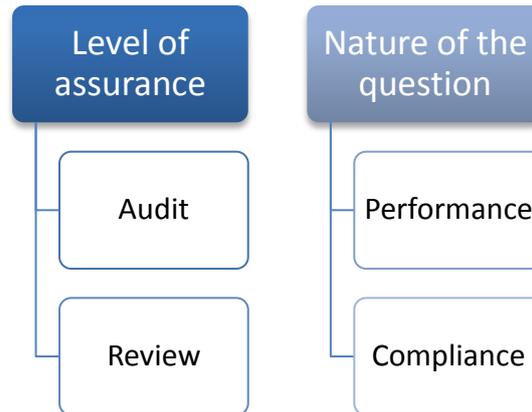


# Quick reference guide – NRC audit services

## What type of service do you need?



What level of assurance is required?	If the nature of the question relates to....
<p><b>If a reasonable level of assurance is required ( ie. a high but not absolute level of assurance)</b></p>	<p><b>Questions of degree eg. 'how well', 'to what extent'</b>  <b>Questions relating to economy, efficiency and effectiveness</b></p>
<p><b>...then an <b>audit</b> is probably appropriate.</b></p> <ul style="list-style-type: none"> <li>✓ Processes involve detail testing, evidence gathering and substantiation, confirmation and observation</li> <li>✓ Time and resources required to complete an audit are higher than for a review</li> <li>✓ Audits are useful in circumstances where high levels of confidence over an entity's reported outcomes are required or where the problem requires detailed analytical approaches</li> <li>✓ Audits deliver an opinion expressed in the positive, description of instances of non-compliance or opportunities for improved performance found by the auditor, and recommended audit actions</li> </ul>	<p><b>...then a <b>performance</b> audit or review is probably appropriate.</b></p> <p>For example, when you are concerned with:</p> <ul style="list-style-type: none"> <li>✓ achievement of outcomes against predetermined objectives and performance benchmarks</li> <li>✓ appropriateness of the assignment of responsibilities and accountability</li> <li>✓ economic and/or appropriate use of public funds</li> <li>✓ best services from available resources</li> <li>✓ intended and unintended impacts of policies</li> </ul>
<p><b>If a limited level of assurance is required</b></p>	<p><b>Questions containing 'whether', 'if', 'did or did not'</b>  <b>Questions relating to accordance with externally imposed criteria, usually under law or directives</b></p>
<p><b>...then a <b>review</b> is probably appropriate.</b></p> <ul style="list-style-type: none"> <li>✓ Processes primarily involve enquiries and analysis</li> <li>✓ Reviews are less time and resource intensive than an audit (for the same scope)</li> <li>✓ Reviews are useful in circumstances requiring an investigative or exploratory approach such as for initial assessments, preliminary studies, understanding processes and assessing risks</li> <li>✓ Reviews deliver conclusions and recommendations for improvement on anything that has come to the reviewer's attention in respect of performance or compliance</li> </ul>	<p><b>...then a <b>compliance</b> audit or review is probably appropriate.</b></p> <p>For example:</p> <ul style="list-style-type: none"> <li>✓ compliance with legislation, regulation, statutory requirements or ministerial directives</li> <li>✓ compliance with industry obligations, enforceable contractual obligations, obligations under grant agreements, externally established policies and procedures</li> <li>✓ sufficiency of procedures for identifying and updating compliance obligations</li> <li>✓ sufficiency of staff compliance training and awareness programs</li> </ul>

## How do these services relate to the Local Land Services context?

What level of assurance is required?	If the nature of the question relates to....
<p><b>If a reasonable level of assurance is required ( ie. a high but not absolute level of assurance)</b></p> <p>...then an <b>audit</b> is probably appropriate.</p> <ul style="list-style-type: none"> <li>✓ Independent audit conducted to meet <u>obligations of LLS Act</u> sections 44 and 45 (ie. to ascertain whether the provision of strategic plans are being given effect)</li> <li>✓ Independent audit conducted to meet <u>obligations of LLS Act</u> section 24 (ie. audit of activities to determine whether LLS functions are being carried out effectively, efficiently and in accordance with State priorities, including the Performance Standard for LLS)</li> <li>✓ Independent audit conducted to provide a high level of assurance over LLS processes or policies deemed to be of <u>significant interest</u> to investors or management and of <u>high risk</u> eg. an audit of LLS governance arrangements</li> <li>✓ Independent audit of LLS compliance with biosecurity legislation requirements <u>that underpin continued federal biosecurity funding</u></li> </ul>	<p><b>Questions of degree eg. 'how well', 'to what extent'</b> <b>Questions relating to economy, efficiency and effectiveness</b></p> <p>...then a <b>performance</b> audit or review is probably appropriate.</p> <ul style="list-style-type: none"> <li>✓ Independent audit conducted to meet obligations of LLS Act section 24 ie. audit of activities to determine whether LLS functions are being carried out <u>effectively, efficiently</u> and in accordance with State priorities, including the <u>Performance Standard for LLS</u></li> <li>✓ Independent audit conducted to meet obligations of LLS Act sections 44 and 45 ie. to ascertain whether the <u>provision of strategic plans are being given effect</u>. <i>Whilst the wording of this section indicates a potential need for a compliance audit, the provisions of strategic plans are likely to relate to medium and longer term performance of LLS. Also, it appears that the intent is for an audit to inform the Minister of LLSs achievement of outcomes.</i></li> <li>✓ Independent review of <u>effectiveness</u> of community engagement across the LLS regions</li> </ul>
<p><b>If a limited level of assurance is required</b></p> <p>...then a <b>review</b> is probably appropriate.</p> <ul style="list-style-type: none"> <li>✓ Independent review of LLS <u>draft state and regional strategic plans</u> to provide advice to the Minister on their approval (as <u>one of multiple sources</u> of ministerial advice)</li> <li>✓ Independent review of existing LLS customer management <u>policies and processes</u> that impact on stakeholder satisfaction to <u>improve customer outcomes</u></li> <li>✓ Independent review of LLS investment prioritisation at state and regional levels to <u>assess variation across the state and identify best practice</u></li> </ul>	<p><b>Questions containing 'whether', 'if', 'did or did not'</b> <b>Questions relating to accordance with externally imposed criteria, usually under law or directives</b></p> <p>...then a <b>compliance</b> audit or review is probably appropriate.</p> <ul style="list-style-type: none"> <li>✓ Independent audit of LLS <u>compliance with biosecurity legislation requirements</u> that underpin continued federal funding</li> <li>✓ Independent review of LLS compliance with the <u>funding criteria established</u> under state and federal <u>grant agreements</u></li> <li>✓ Independent audit of LLS compliance with the <u>requirements established</u> under <u>IPART's funding framework</u> for LLS</li> </ul>

### What if the issue relates to a program or project?

- A program evaluation is the systematic assessment of the appropriateness, effectiveness and/or efficiency of a program, or part of a program.
- It provides information about performance to aid decision-making and prioritisation, particularly in the situation of competing proposals or options.
- It encourages investors to articulate clear and achievable objectives for their programs. It also encourages program managers to use evaluation for the improvement of their program's performance, and strengthens accountability in a devolved environment.

### What is the difference between an evaluation and an audit?

- Evaluation often has a strong focus on policy and is able to make a qualitative assessment of policy effectiveness, where as a performance audit is focussed on evaluating economy, efficiency and effectiveness of public administration.
- Typically, an evaluation will include the examination of the appropriateness of programs or policies. An evaluation may even canvass the merits of alternative policy options and make judgements about the appropriateness of the program, and policy, as a means of meeting current government policy and community needs.