

## Appendix B Audit framework

Auditing is intended to provide enhanced confidence in the accuracy, completeness, and reliability of reported information. Auditing promotes transparency and consistency in the process of collecting and reporting data across all urban water utilities, in order to report performance results that are relevant and useful and enable meaningful comparisons between utilities over time.

The National Water Commission, the Water Services Association of Australia, and representative National Water Initiative (NWI) parties established the National Framework for Reporting on Performance of Urban Water Utilities Deed, which sets out how the parties will report on the performance of urban water utilities in accordance with the NWI. The deed requires parties to use all reasonable endeavours to ensure that a comprehensive audit of the data collected by each urban water utility under the National Performance Framework is undertaken at least once every three years.

The National Performance Framework 2014–15 auditing requirements and audit report template provide further detail about the requirements that a water utility must meet in order to report its results in the 2015 Urban NPR.

The audit requirements state that:

- audits are to be conducted at a minimum of 3-year intervals;
- indicators that have failed an audit will not be published (they need to be re-audited before they are published);
- audits must be carried out by suitably qualified and independent auditors;
- the level of assurance to be provided is generally 'reasonable' assurance (although there are some instances in which 'limited' assurance is appropriate);
- audits must be conducted under Australian Standard ASAE 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information; and
- auditable indicators are those with the indicator codes W7, W8, W11, W11.1–W11.3, W12, W14, W18, W18.5, W19, W26, W27, A2, A3, A5, A6, A8–A11, A14, A15, E1–E3, E8, E12, E12.1, E13, C2, C4, C8, C13, C14–C19, H3, H4, F1–F8, F11–F16, F20–F30, P7, and P8.