

## 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 3 years.

The National Performance Framework 2013–14 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 2020 Urban NPR.

- 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- Indicators that have failed an audit will not be published (they need to be re-audited before they are published).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.
- Auditable indicators are those with the indicator codes W7, W8, W11, W11.3, W12, W14, W18, W18.5, W19, W26, W27, A2, A3, A5, A6, A8–A11, A14, A15, E1–E3, E8, E12, E12.1, C2, C4, C8, C13, C14–C15, C17–C19, H3, H4, F1–F8, F11–F16, F20–F30, P7, and P8.

### B1 2019–20 Indicator audit status summary

Table B1 Status of indicator audits undertaken within each jurisdiction.

Jurisdiction	Audit activities
Australian Capital Territory	No Urban NPR data audits were undertaken in 2019–20 as a result of difficulties with their auditors being Melbourne-based and access to Icon Water's sites being limited to essential staff due to COVID-19. The next audit will be conducted in 2020–21.
New South Wales	In the New South Wales metropolitan area, the most recent audit conducted on the NPR data was in 2020. That audit covered a subset (one-third) of the indicators; this approach ensures that each indicator is audited once every 3 years as required. The next audit will be conducted in late 2021.  In the New South Wales country area, the most recent audit conducted on the NPR data was in 2018–19. Audits are conducted every 3 years, with the next audits due in 2021–22.
Northern Territory	The Department of Treasury and Finance has not required the utilities providers, Power and Water – Alice Springs and Power and Water – Darwin, to audit their National Performance Reporting data. Some NPR indicators are audited at an aggregate level.
Queensland	The Department of Regional Development, Manufacturing and Water has not required service providers to audit their National Performance Reporting data.
South Australia	No Urban NPR data audits were undertaken in 2019–20 in South Australia as it was not an auditing year. Auditing is conducted every 3 years on the full set of indicators. An audit of every indicator was completed in November 2018. The next audit will be conducted in late 2021 on the 2020–21 reporting year.

Jurisdiction	Audit activities
Tasmania	TasWater's performance indicators are audited in three tranches over a 3-year period. In the 2019–20, selected TasWater performance indicators were audited (year one of three). The data audited related to the 2018–19 reporting year. An audit of selected performance indicators (year two of three) concluded in September 2020. The data audited related to the 2019–20 reporting year. 2020–21 data will be audited in 2021–22.
Victoria	No Urban NPR data audits were undertaken in 2019–20 in Victoria. Given the impacts of coronavirus on water businesses, the audit process was deferred as part of a commitment to reducing the burden on water businesses and their staff during this year. The last audit was conducted in 2018–19. When the next regular audit is conducted, verification of a subset of 2019–20 indicators will be within the audit scope.
Western Australia	No Urban NPR data audits were undertaken in 2019–20 in Western Australia as it was not an auditing year. Auditing is conducted every 3 years. The last audit was conducted in 2018–19. The next round of audits is scheduled for 2022.