

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 2024 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- Indicators that have failed an audit will not be published (they need to be re-audited before they are published).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, W18, W18.5, W19, W26, W27, A2, A3, A5, A6, A8 to A11, A14, A15, E1 to E3, E8, E12, E12.1, C2, C4, C8, C15, C17, C18, H3, H4, F1 to F8, F11 to F16, F20 to F30, P7 and P8.

Table B1 Status of indicator audits undertaken within each jurisdiction

Jurisdiction	Audit activities
Australian Capital Territory	The most recent audit conducted on the NPR data was for 2020–21, as it was an auditing year. Auditing is usually conducted every 3 years. The next audit will depend on auditing requirements following the NPR review.
New South Wales	<p>In the New South Wales metropolitan area, the most recent audit conducted on the NPR data was in late 2024. The next audit is expected to be conducted in late 2025. IPART currently audits approximately one third of NPR indicators each year as part of its annual operational audit process.</p> <p>In the New South Wales country area, all the reported utilities have had their 2021–22 reported data audited as per the requirements. All water utilities in regional NSW reporting to the NPR will be required to conduct their next audit in the 2024–25 reporting year.</p>
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 NPR data. Some NPR indicators are audited at an aggregate level.
Queensland	The Department of Local Government, Water and Volunteers has not required service providers to audit their NPR data.
South Australia	The most recent audit conducted on the NPR data was in October 2021 for 2020–21 data as it was an auditing year. Auditing is usually conducted every 3 years on the full set of indicators. The next audit will depend on auditing requirements following the NPR review.
Tasmania	TasWater's performance indicators are audited in 3 tranches over a 3-year period. In 2023–24, selected TasWater performance indicators were audited. This audit concluded in September 2024. A new 3-year audit cycle will commence in July 2025.
Victoria	Most Victorian National Performance Reporting data is audited under the Essential Service Commission's annual audit framework (refer section F7.5). The Essential Service Commission conducted their last regular annual audit of 2023–24 data in late 2024.
Western Australia	Urban NPR data audits were undertaken in 2021–22 in Western Australia. Auditing is conducted every 3 years. The next round of audits is scheduled for 2024–25.