

Appendix 2: About the Audit

Audit objective

The audit assessed whether the energy rebates distributed to low income households are effective.

Audit scope and focus

The audit focused on the structure of the schemes and the Department's management of the partner organisations that distribute rebates.

The scope of the audit included:

- Low Income Household Rebate
- Gas Rebate
- Medical Energy Rebate
- Family Energy Rebate
- Energy Accounts Payment Assistance
- Medical Energy Rebate
- Customers who receive their energy from an energy retailer as well as those who receive energy through an embedded network.

Audit criteria

The audit assessed the rebate schemes against the following criteria:

- Are the rebates structured to most effectively achieve their objectives in a changing energy market?
- Is the system adopted by the Department for informing consumers and distribution of the rebates effective?
- Is the Department effectively partnering with service partners to deliver rebates to consumers?

Audit exclusions

The audit did not examine any factors relating to Life Support Rebate, which is not means tested. The audit did not include consideration of schemes designed to reduce household energy consumption administered by the Office of Environment and Heritage.

Audit approach

The audit team acquired subject matter expertise through:

- examination of relevant data and documents, including legislation, policies, guidelines, reports, strategies, reviews, data files
- discussions with key staff in the Department of Planning and Environment
- consultation with key stakeholders, including energy retailers, Energy and Water Ombudsman NSW, NSW Treasury, NSW Council of Social Services, IPART, PIAC, energy retailers, St. Vincent de Paul, Salvation Army, Ethnic Community Council and other NGOs
- engagement with members of the community who receive rebates and those who assist them
- a comparison with approaches in other jurisdictions.

The audit approach was complemented by quality assurance processes within the Audit Office to ensure compliance with professional standards.

Audit methodology

Our performance audit methodology is designed to satisfy Australian Audit Standards ASAE 3500 on performance auditing. The Standard requires the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance

and draw a conclusion on the audit objective. Our processes have also been designed to comply with the auditing requirements specified in the *Public Finance and Audit Act 1983*.

Acknowledgements

We gratefully acknowledge the co-operation and assistance provided by the Department of Planning and Environment. In particular, we wish to thank our liaison officer and staff who participated in interviews and provided material relevant to the audit.

We would also like to thank other stakeholders that spoke to us and provided material during the audit, with special thanks to the stakeholder organisations that arranged for us to engage directly with members of the community who benefit from the rebate schemes.

Audit team

Susan Loane, Rod Longford, Laura Benecke, Matthew Blunt and Andrew Hayne conducted the performance audit. Michael Thistlethwaite was the Engagement Reviewer.

Audit cost

Including staff costs, travel and overheads, the estimated cost of the audit is \$150,000.