



## Appendix six – About the audit

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### Audit objective

This audit assessed how well the Firearms Registry (the Registry) administers the requirements of the *Firearms Act 1996 (NSW)* (the Act) and the *Firearms Regulation 2017 (NSW)* (Regulation) for existing licence holders.

The Firearms Registry, part of the NSW Police Force, is the appropriate administrative authority for the purposes of the Act and Regulation.

### Audit criteria

We addressed the audit objective with two lines of enquiry and criteria as follows:

1. Is Registry's database reliable?
  - Does the Registry's database (the register) support the firearms licensing and registration scheme by having readily accessible, accurate and up-to-date information regarding the status of firearms licence holders and their registered firearms?
2. Does the Registry monitor existing firearms licence holders in accordance with the Act and Regulation?
  - Does the Registry have, and comply with, appropriate risk-based policies and procedures for identifying and acting consistently on status changes of existing firearms licence holders?

### Audit scope and focus

In assessing the audit objective and criteria, we considered that to effectively administer the requirements of the Act and Regulation requires:

- the databases which support the firearms licensing and registration scheme to have readily accessible, accurate and up-to-date information regarding the status of licence holders and registered firearms
- the Registry has appropriate risk-based policies and procedures for its operations that are consistent with the Act and Regulation
- the Registry applies consistent administrative decisions.

The audited entity was the NSW Police Force, including the Firearms Registry.

We examined licences held for the following three 'genuine' reasons, which account for around 92 per cent of all firearms licences issued as at 30 June 2018:

- sport/target shooting (18 per cent)
- recreational hunting/vermin control (59 per cent)
- primary production (15 per cent).

The scope was limited to the Registry's administrative activities regarding existing firearms licence holders. This aspect can involve greater risks as licence holders must self-report status changes (for example, addresses, storage arrangements etc.).

There are many potential intervention points by Registry personnel in administering the Act and Regulation, and assessing performance across all these would not be feasible. For this reason, we examined a limited number of key areas such as requirements for firearms storage, issue of permits to acquire firearms including additional firearms, licence suspensions and revocations, licence expiry and changed 'criminal' status.

A key focus was on the reliability (complete, accurate and up-to-date) of information on licence holders and firearms in the firearms register and its interaction with other databases that hold the contemporary criminal records of licence holders. The register underpins the Registry's administrative activities by providing information on the status of licence holders and registered firearms. We also focused on the policies and procedures used by the Registry for ensuring administrative decisions made by Registry personnel are consistent, and accurately reflect the requirements in the Act and Regulation.

## Audit exclusions

The audit did not seek to:

- Assess the Registry's process in assessing and issuing firearms licences for new applicants or applications for licence renewals.
- Examine the administrative actions conducted by police officers who are not part of the Registry. However, we looked at what policies and procedures the Registry determines non-registry police officers must use in carrying out and reporting on these administrative activities.
- Examine various types of permits granted by the Commissioner under the Act and Regulation, with the exception of permits for acquiring firearms granted under s 28(a) of the Act.
- As this audit focussed on existing licence holders for three of the eight genuine reasons, it did not examine administrative activities carried out by the Registry for existing licence holders with the following other 'genuine' reasons for having a licence:
  - vertebrate pest animal control
  - business or employment
  - rural occupation
  - animal welfare
  - firearms collection.
- Assess the efficiency of the Registry's operations.

However, we commented on some of these issues where they affected our findings or to provide context.

## Audit approach

Our procedures included:

1. Interviewing key staff of the Firearms Registry and the NSW Police Force, particularly those involved in:
  - providing technical support to the Registry's database
  - making entries into the Registry's database, and accessing and using the various reports produced by the database
  - designing the reporting structure of the Registry's database
  - making judgments and decisions relating to the status changes of existing firearms licence holders
  - making judgments and decisions on the application of regulatory actions.

2. Examining:
  - the Registry's procedures and guidance for its personnel in relation to the management of the firearms licensing and registration scheme
  - relevant documents and reports used by the Registry to identify, amend as needed and monitor changes to the status of existing licence holders and their registered firearms, including:
    - policies and procedures to identify status changes
    - policies and procedures to incorporate those status changes in the database
    - policies and procedures to test the validity of the information in the database
  - relevant documents and reports used by the Registry in managing breaches of the Act or Regulation which may result in status changes of licence holders
  - relevant documents and reports used by the Registry in managing breaches of the Act or regulation which may result in enforcement actions being taken.
3. Understanding the relevant internal controls regarding:
  - data integrity checks and exception reports of the Registry's database
  - management review of judgments and key decisions made by the Registry personnel
  - evaluating outcomes of appeals for internal review and NSW Civil and Administrative Tribunal on initial decisions made by the Registry personnel to determine whether changes in practice or further staff training is required.

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 Standard ASAE 3500 Performance Engagements and other professional standards. The standards require 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 requirements specified in the *Public Finance and Audit Act 1983* and the *Local Government Act 1993*.

## **Acknowledgements**

We gratefully acknowledge the cooperation and assistance provided by the Firearms Registry and the NSW Police Force, as well as those stakeholders who participated in the discussions held during the audit. In particular, we wish to thank the staff of the Firearms Registry who contributed in interviews and provided materials relevant to the audit.

## **Audit cost**

Including staff costs and overheads, the estimated cost of the audit is \$226,000.