
Appendix two – About the audit

Audit objective

This audit assessed the effectiveness of acquisitions of private properties for Sydney Metro project.

Audit criteria

We addressed the audit objective by assessing:

1. communication with and support for affected parties
2. conduct of compensation processes (negotiation and determinations)
3. adherence to governance and probity requirements.

Audit scope and focus

This audit focused on completed acquisitions conducted for selected transport projects. The audit assessed agencies against the legislative and policy requirements in place for government acquisitions of private property in New South Wales. It assessed a sample of acquisitions conducted by Sydney Metro, including residential properties and businesses. It also considered the role of the Centre for Property Acquisition (within Transport for NSW), the Department of Planning and Environment in supporting acquisition processes.

Audit exclusions

The audit did not:

- examine certain specific types of acquisition such as the acquisition of government-owned properties
- re-perform individual valuations conducted for the Valuer General or acquiring authorities
- examine decisions of the Land and Environment Court.

Audit approach

Our procedures included:

1. interviewing senior staff at relevant agencies to understand the approach taken to achieving policy objectives and staff involved in acquisitions, e.g. acquisition managers, personal managers to understand the processes used
2. examining relevant legislation, policies, procedures and documents for a sample of completed acquisitions to assess whether processes required under legislation and government policy were followed
3. analysing data on completed acquisitions to identify any trends or indicators of performance.

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 *Government Sector Audit Act 1983* and the *Local Government Act 1993*.

Acknowledgements

We acknowledge the cooperation and assistance provided by Sydney Metro, Transport for NSW, the Department of Planning and Environment and the Valuer General. In particular, we would like to thank our liaison officers and staff who participated in interviews and provided evidence for the audit.

Audit cost

The estimated cost of this audit, including staff costs and overheads, was \$420,000.