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# Appendix two – About the audit

## Audit objective

This audit assessed how effectively the Department of Planning and Environment (Heritage NSW) is overseeing and administering heritage assets of state significance.

For the purpose of this audit, 'heritage assets of state significance' includes all assets listed on the State Heritage Register. It also covers processes related to the nomination and recommendation of these assets for listing.

## Audit criteria

We addressed the audit objective by assessing whether Heritage NSW:

1. is effectively administering the delivery of advice, recommendations and decisions on heritage issues to support heritage management outcomes
2. is supporting and overseeing asset owners to ensure heritage assets are being effectively managed to deliver heritage management outcomes
3. has established clear strategic priorities for heritage management and can demonstrate preparedness to implement these.

## Audit scope and focus

The audit scope included Heritage NSW's activities performed under the Heritage Act, and other activities such as advice on major projects affecting heritage assets of state significance. The audit assessment against the criteria included checking:

- governance, controls and systems supporting the preparation of advice, recommendations and decisions on nominations for heritage listing, and applications for works affecting listed items
- systems for ensuring accuracy and currency of information on the State Heritage Register and systems to maintain this
- compliance and enforcement guidelines and approaches
- supports for asset owners' compliance with obligations under the Heritage Act
- strategic priorities and business planning activities, and progress towards implementing.

The audit scope covered the relevant Heritage NSW activities, programs and services since 2017.

## Audit exclusions

The audit did not include:

- examination of individual assessments, decisions or outcomes
- examination of the sale or proposed sale of any State Heritage Register listed assets
- examination of individual state significant development and state significant infrastructure approvals
- items of local heritage under the *Environmental Planning and Assessment Act 1979*
- Aboriginal cultural heritage under the *National Parks and Wildlife Act 1974*.

## Audit approach

Our procedures included:

- interviewing
  - relevant Department of Planning and Environment staff including from Heritage NSW
  - Chair and members of the Heritage Council
  - staff from state government entities that own or manage heritage assets
  - sector stakeholders, groups and subject matter experts
- examining a range of documents held by the department, including documents about
  - strategic planning
  - governance and reporting arrangements
  - performance reporting
  - policies and procedures for administrative and regulatory activities
  - guidance documents developed by Heritage NSW
- examining case studies relating to state significant projects, new heritage listings, applications for works and compliance and enforcement
- analysing website submissions.

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 gratefully acknowledge the constructive cooperation and assistance provided by the Department of Planning and Environment (Heritage NSW). We also acknowledge the Heritage Council of NSW, other state government agencies, as well as heritage industry professionals and subject matter experts for their time and input.

## Audit cost

The estimated cost of this audit including disbursements is \$470,000.