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# Appendix two – About the audit

## Audit objective

This audit assessed how effectively NSW government agencies procure and manage consultants in line with the NSW Government's consultant savings targets.

## Audit criteria, scope and focus

We addressed the audit objective through the following criteria:

1. The NSW Procurement Board and NSW Procurement effectively supports and monitors agencies procuring and managing consultants.
2. Selected agencies effectively procure consultants.
3. Selected agencies effectively manage consultants.

The audit did not include detailed consideration of contingent labour and associated NSW Procurement scheme arrangements.

## Audit approach

Our procedures included:

1. Interviewing staff at selected agencies to understand use of consultants, controls and interaction of consultant procurement with workforce planning.
2. Examining documents including:
  - a) Procurement policies, plans and strategies
  - b) A sample of key documents from consulting engagements, including contracts and tender documents.
3. Analysing data including:
  - a) Annual report disclosures
  - b) Accounting ledgers
  - c) Central databases with information about consulting engagements.

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 cooperation and assistance provided by staff at the agencies included in this audit.

## Audit cost

The estimated cost of this audit, including staff costs and overheads, was approximately \$490,000.