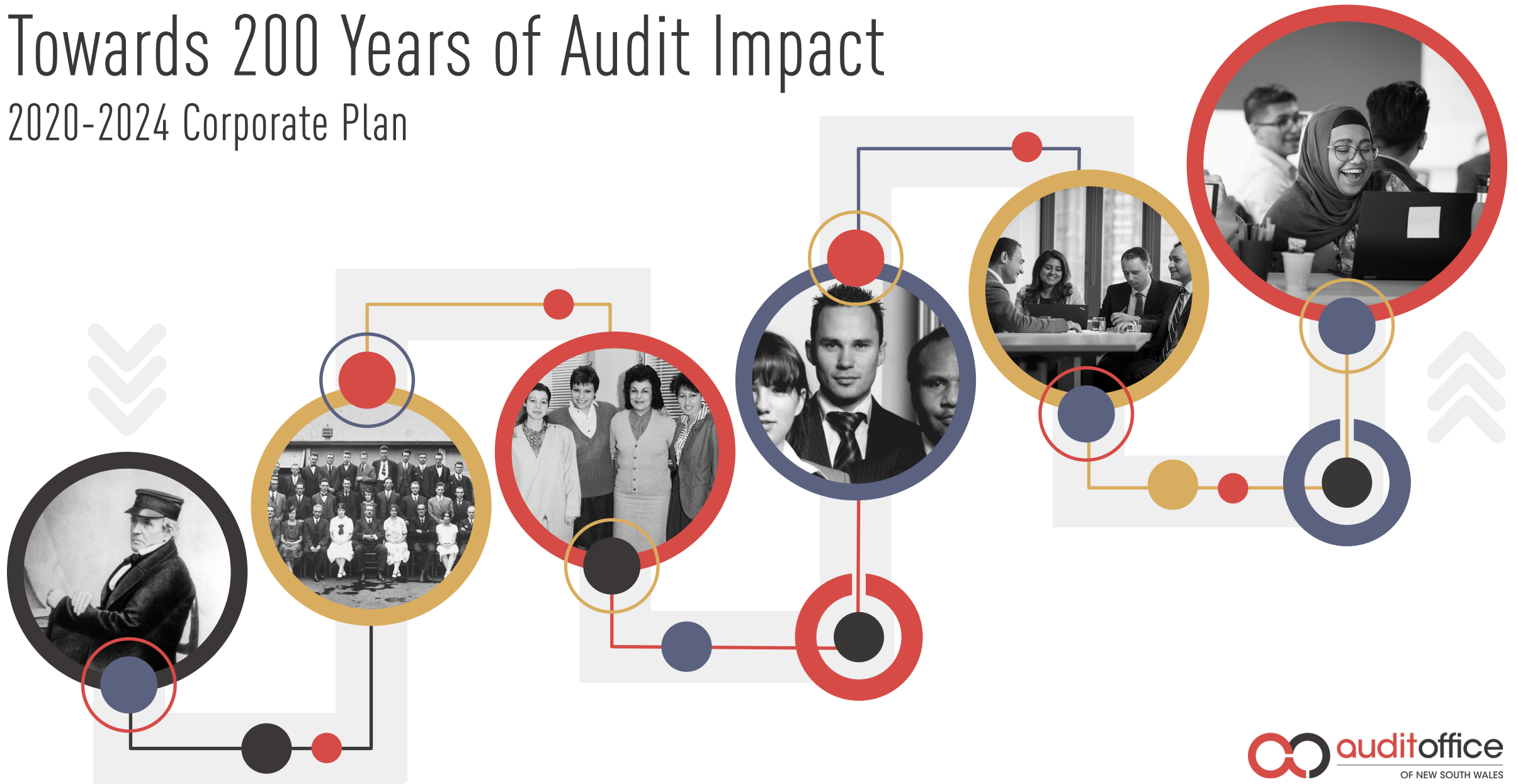


Towards 200 Years of Audit Impact

2020-2024 Corporate Plan



Introduction



Margaret Crawford

Auditor-General for New South Wales



I am pleased to release the Audit Office of New South Wales Corporate Plan 2020–2024. This plan builds on the success of our previous plan and provides a clear sense of direction for our organisation for the next four years.

It also recognises that our core business has not changed. Nor has our purpose and vision to help Parliament hold government to account for its use of public resources, and in so doing, inform and challenge government to improve outcomes for citizens. And our values remain a strong and uniting feature of our Office.

Our people, and how we work, will always be a priority for the Audit Office. We will continue to develop confident and skilled employees and encourage and celebrate the diversity of our collective backgrounds and ideas. We will support flexibility in how we work, even more given the disruption we have experienced in 2020 as a result of COVID-19. And we will continue investing in technology to support staff and deliver new insights from our audits.

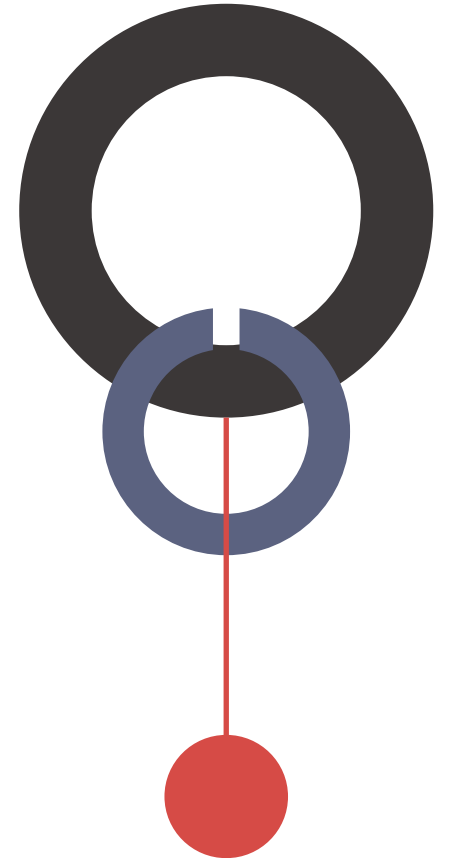
It should be no surprise that this plan prioritises quality in all we do. Our independence and the quality of our audits and reporting are fundamental to the trust and confidence the Parliament, our auditees, and the community can have in our work.

The ultimate objective of this plan is to enhance the impact and relevance of our work to honour the legacy of 200 years of audit excellence. An acute understanding of risk, strong engagement with key stakeholders and active listening to auditees will drive the choices we make on audit topics and areas of focus. And a heightened focus on strategic communication is intended to ensure our findings and the lessons that can be learned provide assurance and benefit future governments.

The year 2024 will mark 200 years since the first Auditor-General for New South Wales. The pride in purpose and determination to promote transparency and good governance encompassed in this corporate plan will ensure the Audit Office of New South Wales continues to deliver a further 200 years of audit impact.

Margaret Crawford

Auditor-General



About Us



Who we are

We hold a privileged position as one of a small number of independent agencies that provide the checks and balances integral to our system of government.

We report directly to the Parliament of New South Wales on financial reporting, governance and controls, and on the economy, efficiency and effectiveness of NSW government agencies, universities and councils.

While our core business is the conduct of audits, our aim is to provide NSW Parliament and the entities we audit with broader insights that inform and challenge government to improve outcomes for citizens.

We are an organisation of around 270 highly professional and committed staff and we partner with a number of private sector specialists to ensure our audits and reports are of the highest standard.

What we do

The Auditor-General is responsible for audits and related services. These audits help NSW Parliament hold government accountable for its use of public resources.

Each year we carry out around 500 audits on the financial statements of all NSW government agencies, universities and local and county councils. These financial audits are fundamental to building community trust in the public sector organisations that regulate and deliver infrastructure or services for the citizens of New South Wales.

We also conduct around 20 performance audits in any one year. Performance audits assess whether public money is spent efficiently, effectively, economically and in accordance with the law. Our performance audits are relied upon to 'tell it like it is' and for the insights they provide to help government organisations improve outcomes for the people of New South Wales.

From time to time we also conduct other assurance reviews that seek to confirm that specific legislation, directions and regulations have been adhered to by government entities.

We go out of our way to engage with our key stakeholders to share the insights derived from our work and to ensure that our contribution remains relevant and timely.

Our key stakeholders

- Parliament of New South Wales
- NSW Government Agencies
- NSW Councils
- NSW Universities
- NSW Citizens

The work we do is to ultimately benefit the community. Our primary stakeholder is the NSW Parliament.

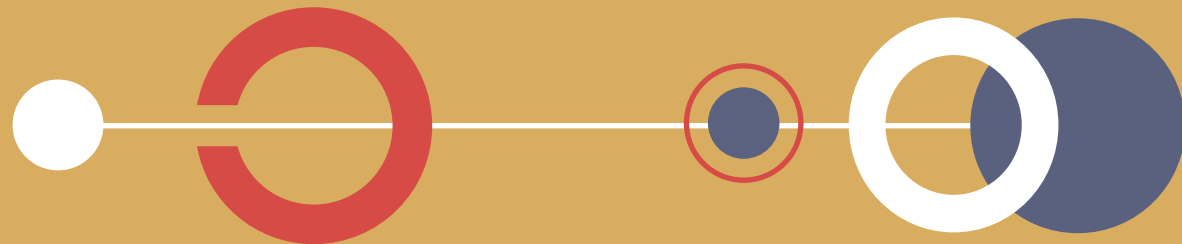
We report directly to Parliament as the elected representatives of NSW citizens.

We aim to work constructively with our audit clients ensuring there are no surprises and that we understand their organisational context and objectives.





Our Context



Our operating environment

The role of the Auditor-General for New South Wales has a proud history stretching back to 1824, and our 200-year anniversary will be celebrated in the last year of this corporate plan. Our core purpose, to scrutinise and hold government to account, has not wavered in all this time.

That said, our mandate, powers and approach has changed from time to time and will need to continue to adapt to reflect the changing environment in which we operate, and the risks that we face. More on our risks can be found on page 8.

Environmental context

The environment in which we operate is posing considerable challenges to the governments and sectors we audit, not least the management of a world-wide pandemic. And here in New South Wales, this event is on top of the significant disruption caused by severe bushfires, and drought followed by floods. Our state and local governments, and our tertiary educational institutions, are expected to provide leadership and expert management of these events, the response to them and long-term recovery.

Other major risks that influence and shape our approach and choice of audit topics include:

- increasing expectations of government service delivery
- record spending on infrastructure
- digital disruption and cyber security
- governments working more through non-government agencies.

Agility and speed to deliver, while paramount at this time, do not diminish the need for adherence to sound governance, tested systems, and good planning and process. Transparency of decision making, proper documentation and performance reporting all warrant careful attention.

As an office, we need to keep up with this rapidly changing environment – an environment that benefits from the structured and disciplined analyses we apply to our work with auditees, but also demands flexibility, agility and resilience in the way we work. We must foster these capabilities in our people and ensure a broad diversity of experience and thinking, and stronger digital and data literacy.

We must continue to deliver public value and create a vibrant and challenging workplace that engages our staff and ensures we can employ and retain the best and brightest.

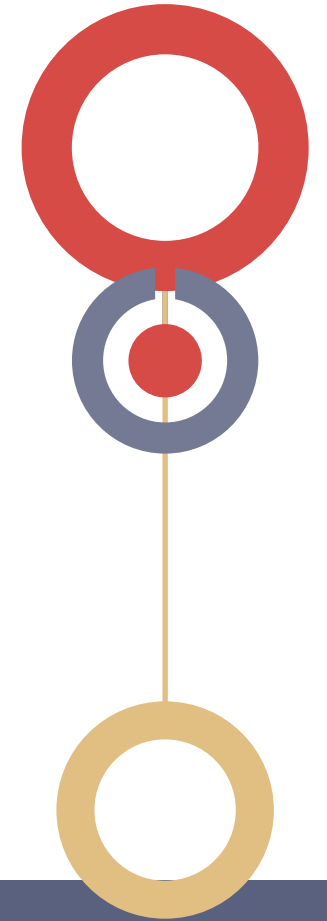
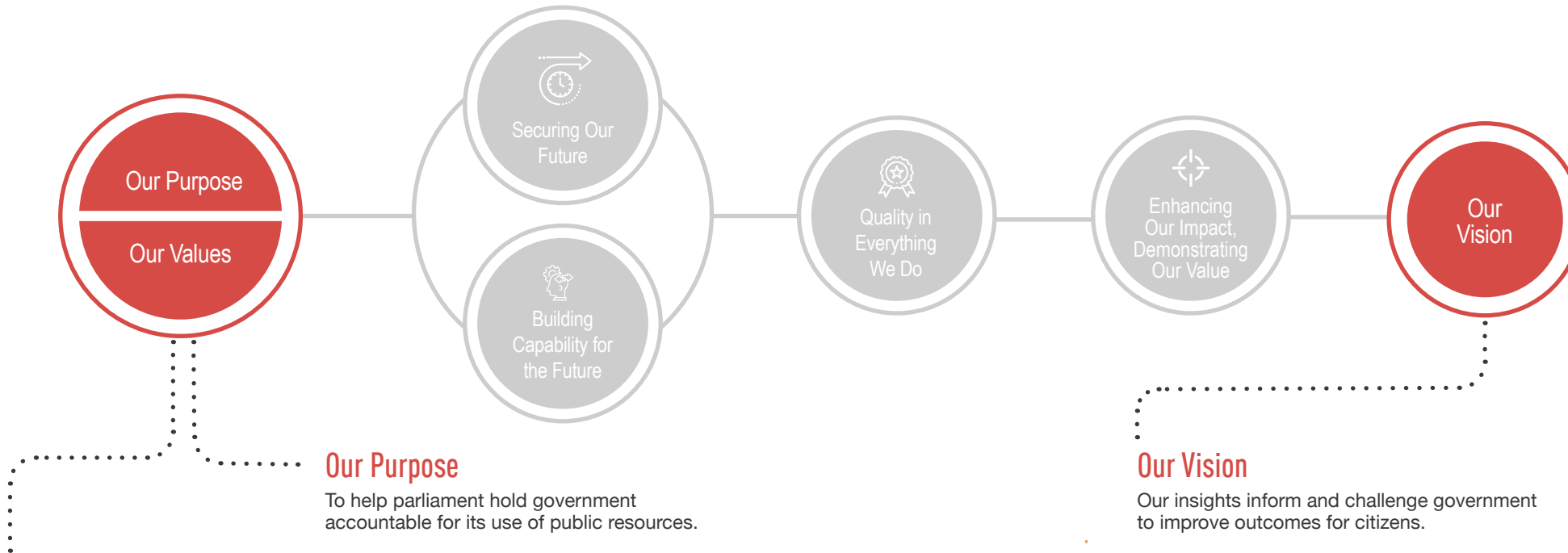
Our Strategic Framework



- > Our strategic framework sets out our high level approach to the 2020-24 period.
- > Every day, our actions are informed by our Purpose (which reminds us why the Audit Office exists and why we come to work each day) and our Values (which describe our most valued behaviours).
- > Our priorities for these four years are set out in our four Objectives.
- > Our four Objectives cover our critical outcome areas. Firstly, we must ensure we have both the skills and resources needed for the future ('Building Capability for the Future') and the financial strength to enable us to operate self-sufficiently in the long term ('Securing Our Future'). From there, there must be 'Quality in Everything We Do' and ultimately, our goal is to be 'Enhancing Our Impact, Demonstrating Our Value'.
- > By focusing on meeting these Objectives, we drive towards our Vision, which is our long-term ambition. For each Objective, we have measures of success and key actions, which we update on a regular basis.

Our Strategic Framework

Purpose, Values and Vision



Our Values

Curious and open-minded

Our people are empowered to look outward and find the best ways and question the status quo. We are constantly curious and open to challenge.

Pride in purpose

Our work is important, so we set high standards and strive for excellence. Our insights drive better government, and have a real impact on issues that affect the people of New South Wales.

Contagious integrity

Behaving with the highest levels of integrity is fundamental to who we are. We set a high standard and inspire others to do the same. We set the example.

Valuing people

People are at the heart of what we do. Every member of our team. Our stakeholders. The people of New South Wales. We support, trust and respect our people. We work as a team.

Courage (even when it's uncomfortable)

We are impartial and objective. We listen and learn and strive for a balanced view. But we are not afraid to ask the uncomfortable questions and speak the uncomfortable truth.

Our Strategic Framework

Objectives



Building
Capability for
the Future

We will continually adapt the organisation and our way of working to meet future challenges by:

- upskilling and encouraging our people to work flexibly across teams and portfolios to provide more integrated, insightful audits
- promoting a culture that ensures staff are confident in their technical, analytical and communication skills for the auditor of the future
- creating greater diversity of thinking and leveraging our diverse capabilities and backgrounds.

Measures of success

- 80% employee engagement
- 90% of employees believe that personal background is not a barrier to participation
- 90% of staff have core data literacy skills.



Securing Our
Future

Our operating model demands we provide value for money services that pay their way and support investment in contemporary tools and methodologies.

Our focus will be to:

- develop financial frameworks that are fiscally responsible, future-focused and ensure our sustainability
- leverage data and technology to extract efficiency gains and harness greater insights in our audits
- foster innovation to find more efficient and effective ways of conducting our audits, and to provide greater value to our stakeholders.

Measures of success

- Our finances break even over the medium term
- 75% of our audit staff available hours are charged to audits
- 2% of our annual operating expenditure is spent on innovation.



Quality in
Everything
We Do

Currently, there is increased national and international scrutiny of audit quality. Our credibility, and the trust and confidence people have in us, is contingent on the quality of the work we do and our independence and objectivity.

This will be sustained and enhanced by:

- performing according to the highest standards
- safeguarding our independence and ethics
- driving effective monitoring and learning
- upholding data security.

Measures of success

- 90% of parliamentarians agree we operate independently from government
- 90% of parliamentarians believe we perform audits with integrity
- 100% of external reviews confirm we have a robust system of quality control.



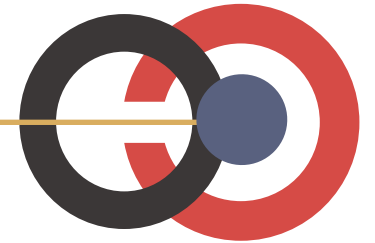
Enhancing
Our Impact,
Demonstrating
Our Value

We will be recognised by Parliament and stakeholders for our value as a source of accountability and integrity by:

- serving as a trusted provider of analysis and insight regarding public sector administration
- fostering positive change across NSW state government, local government and university sectors.

Measures of success

- 90% of parliamentarians are satisfied with our reports and services
- 80% of auditees value the assurance obtained from our audit of statutory financial statements
- 70% of auditees believe that performance audits help them improve the performance of the audited activity
- 80% of our audit recommendations are accepted.

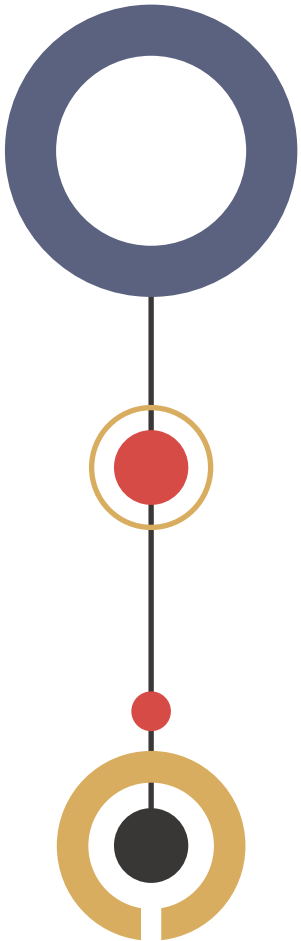


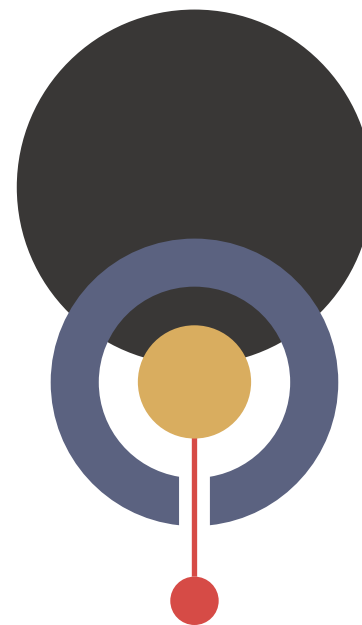
Our Strategic Risks

Our strategic risk framework recognises the operating environment described earlier in this plan. We accept there is some inherent risk in our activities and acknowledge that accepting a certain level of risk helps us develop, improve, and make good use of opportunities as they arise. While our risk appetite in the conduct of audit activities is low, we have a more moderate appetite for risk in corporate and management activities.

The table below maps how the four strategic objectives of this corporate plan help us respond to our strategic risks.

Strategic Risks	Strategic Objectives			
	Building Capability for the Future	Securing Our Future	Quality in Everything We Do	Enhancing Our Impact, Demonstrating Our Value
Our insights are not relevant and do not result in a demonstrable improvement in public administration.	●		●	●
Our audits are not defensible resulting in lost credibility, trust and confidence by government and the public.	●	●	●	●
We do not act according to our own ethical standards, do not meet legal obligations and are not transparent and beyond reproach damaging our reputation.	●		●	●
We are not efficient such that we don't keep pace in a contestable environment resulting in reputational loss and potential disruption to the current business model.	●	●	●	
We cannot develop or access required capabilities compromising our ability to achieve our objectives.	●		●	●
Loss of confidential or sensitive information resulting in compliance breaches, business disruption, financial loss or reputational damage.			●	





Level 19, Darling Park Tower, 201 Sussex Street, Sydney NSW 2000 Australia
t +61 2 9275 7100, e mail@audit.nsw.gov.au