
Appendix two – About the audit

Audit objective

This audit assessed how effectively the Department of Customer Service and the Department of Planning and Environment have led reforms to manage the fire safety risk of combustible external cladding on existing residential and public buildings.

The selection of these auditees was based on their involvement in the co-ordination and implementation of the Government's ten-point reform agenda for combustible external cladding.

While the focus of the audit was on the oversight and coordination provided by DCS and DPE, councils play an essential part as consent authorities for building development approvals in NSW, as well as having responsibilities and powers to ensure fire safety standards. To fully understand how well their activities were overseen and coordinated, a sample of nine councils was included as auditees.

Audit criteria

In addressing the audit objective, the audit answered three questions, being:

- a) Are the fire safety risks of combustible external cladding on existing buildings identified and remediated?
- b) Is there a comprehensive building product safety scheme that prevents the dangerous use of combustible external cladding products on existing buildings?
- c) Is fire safety certification for combustible external cladding on existing buildings carried out impartially, ethically and in the public interest by qualified experts?

These questions broadly align with government's expressed intention for the ten-point fire safety reforms to ensure:

- i) buildings with combustible external cladding are identified and notified
- ii) there is a comprehensive building product safety scheme that prevents the dangerous use of combustible external cladding products
- iii) that only people with the necessary skills and experience are certifying buildings and signing off on fire-safety.

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 co-operation and assistance provided by auditee staff from the Department of Customer Service, Department of Planning and Environment, Bayside Council, City of Canterbury Bankstown Council, Cumberland City Council, Liverpool City Council, City of Newcastle Council, City of Parramatta Council, City of Ryde Council, City of Sydney Council and Wollongong City Council.

We also gratefully acknowledge the co-operation and assistance provided by the following stakeholders: Fire and Rescue NSW; Local Government NSW; Owners Corporation Network; Strata Community Association NSW; Fire Protection Association Australia; Insurance Council of Australia; Society of Fire Safety, Engineers Australia; Alan Harriman; Jonathan Barnett.

Audit cost

The total cost of the audit is \$565,000.