

2.2.10 Approval for the Audit Office to perform other audit and related services for auditees

Introduction

This section provides policies and guidance for obtaining the Auditor-General's approval for Audit Office (the Office) teams to perform other audit and related services (that is, engagements other than the audit of the general purpose financial statements).

The Office's auditees may request the Auditor-General to perform other audit and related services such as audits/reviews of special purpose financial statements, compliance audits/reviews or acquittals of grant funding received by government entities. These engagements may be requested as a one-off arrangement, or as an annually recurring service.

State government agencies and university entities may only request the Auditor-General to perform these engagements if the Treasurer or a Minister has made a request for such an engagement under section 27B(3) of the *Government Sector Audit Act 1983* (GSA Act).

Local government entities may request the Auditor-General to perform these engagements under 421E(1) of the *Local Government Act 1993*.

The Auditor-General's (or delegate's) approval is required to perform other audit and related services, regardless of whether the work is to be performed internally by an Office audit team or by an Audit Service Provider (ASP). Obtaining approval to perform these engagements allows the Office to monitor all the other audit and related services we provide to our auditees.

This policy provides for engagements where the Office will conduct the audit and issue the Independent Auditor's Report or the Independent Assurance Practitioner's Report.

Policy 2.2.12 'Approval for Audit Service Providers to perform other audit and related services' contains the requirements when the ASP will conduct the engagement either:

- on behalf of the Office
- in their own right in response to a request by an Office auditee
- a combination of the above.

Policies and guidance

1. Office teams must obtain written approval from the Auditor-General (or their delegate) before commencing any engagement to provide other audit and related services. Before obtaining the approval, the Engagement Controller (EC) must:
 - ensure the Office has mandate to perform the other audit and related services
 - determine there are no independence threats or provide appropriate safeguards for any identified threats
 - perform a fee parity assessment.
2. ECs must seek approvals using the 'Approval for the Audit Office to perform other audit and related services' form. ECs do not require approval to perform the engagement if the proposed engagement is on the 'List of approved other audit and related services' (refer Appendix below).
3. Approval to perform other audit and related services must be made in accordance with the delegation instrument 'Authority to approve other audit and related services'.

4. Assistant Auditor-Generals (AA-Gs) are delegated to approve other audit and related services unless the engagement relates to a report on prospective or non-financial data¹. The Deputy Auditor-General's approval is required to perform services that report on prospective or non-financial data.
5. There may be circumstances where the AA-G may want to consult with the DA-G before approving the other audit and related service. This includes but is not limited to mandate, independence or resourcing matters that may impact whether the Office should accept the other audit and related service as an Office engagement.
6. For recurring engagements, once the approval has been obtained for the initial engagement, they will be approved in perpetuity unless the engagement changes. A new approval is required if the nature, scope, or risk of the engagement changes.
7. If new information is available that may have caused the Office to decline the audit engagement had that information been known by the Office prior to accepting or continuing the other audit and related services engagement, the audit team shall communicate that information promptly, so that the Office and the EC can take the necessary action.

Monitoring

8. On a quarterly basis, Quality and Technical will review and report on new instances of other audit and related services in accordance with this policy. This reporting will be to the Assistant Auditors-General Financial Audit and the Deputy Auditor-General.

Effective date

Issued February 2024 and effective February 2024.

¹ Non-financial data includes performance indicators and other non-financial engagements (such as compliance engagements).

Appendix - List of approved other audit and related services

Approved other audit and related services include the following assurance and related services:

Description	Auditee reference/type
Higher Education Research Data Collection (HERDC) Research Income Return	Universities
Application for Payment of Pensioner Concession Subsidy	Local councils
Special Purpose Financial Statements for a Council's Declared Business Activities	Local councils
Special Schedule 'Permissible income for general rates'	Local councils
Audits of special purpose financial statements prepared under the <i>National Land Transport Act 2014</i> (includes the Roads to Recovery Program, Investment Projects, and Blackspots Projects)	Local councils and Transport for NSW
Audits of special purpose financial statements of the Local Roads and Community Infrastructure Program prepared under the COVID-19 Local Roads and Community Infrastructure Program Guidelines	Local councils, Transport for NSW and Lord Howe Island Board