

11 August 2011

Ms Merran Kelsall
The Chairman
Auditing and Assurance Standards Board
PO Box 204
Collins Street West
Melbourne VIC 8007

Dear Ms Kelsall,

**Exposure Draft: Proposed International Standard on Assurance Engagements
ISAE 3000 (Revised), Assurance Engagements other than Audits or Reviews
of Historical Financial Information**

Attached is a copy of the Australasian Council of Auditors-General (ACAG) response to the International Auditing and Assurance Standards Board Exposure Draft referred to above.

In developing the response it became apparent there were a range of views amongst the members of ACAG that could not be accommodated in one submission. In particular alternative views were held in relation to:

- Determining a 'material misstatement' for a direct engagement
- Clarifying what is the 'subject matter information' for a direct engagement
- Determining and applying 'proper evaluation or measurement' for both an attestation and direct engagement.

As a consequence the members of ACAG agreed that this response provides two submissions that reflected the alternative views that were held amongst the members of ACAG. In providing these submissions there is consensus on a range of matters and the responses to questions 1, 2(b), 2(c), 3(a), 3(b), 3(c)(ii), 4, 5, 6 and the additional comments on 'Agreeing on the terms of the engagement-paragraph 23'; 'Small and Medium Sized Practices and Small and Medium Sized Entities' and 'Preconditions for the Assurance Engagement' are common to both submissions. As such the responses to those questions have been deleted from submission two to avoid duplication.

If nothing else, the differing points of view that have been identified as ACAG has developed its response to this exposure draft indicate further work is needed to address differences between attestation and direct engagements particularly in the public sector. This is so regardless as to whether or not a separate standard is developed for direct engagements and, in any event, is likely to have flow-on consequences for the Framework.

Yours sincerely

Simon O'Neill
Chairman
ACAG Financial Reporting and Auditing Committee

Proposed International Standard on Assurance Engagements ISAE 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information

OVERALL COMMENT

ACAG recognises that this is the foundation standard for a broad range of non-financial engagements. For this reason, the standard needs to stand-alone and provide the minimum necessary guidance to assist users to understand and apply the standard for a range of engagements and in various circumstances.

In the public sector, this standard will represent the foundation document for performance audits undertaken by Auditors-General in accordance with their respective legislative mandates (as these engagements come within the definition of ‘direct engagements’). In this respect, ACAG is concerned that the proposed standard unnecessarily contains requirements and related guidance that is more suited to financial statement-type engagements than engagements that address issues of economy, efficiency and effectiveness.

While having one overarching standard has some advantages including ensuring consistency of language and expression, the proposed standard runs the risk of being difficult to understand by all intended users. Particularly in the light of a number of issues referred to below, ACAG suggests the IAASB give further consideration to the possibility of having a separate standard that deals specifically with ‘direct engagements’, as currently defined. In the alternative that the proposed standard adequately addresses the issues discussed below.

The Explanatory Memorandum accompanying the proposed standard seeks comment in respect of a number of particular matters. We have provided comment on these matters under the heading ‘Request for Specific Comments’.

In addition, we have provided comment on other matters that have come to our attention under the heading ‘Comments on Other Matters’.

REQUEST FOR SPECIFIC COMMENTS

ACAG provides the following comments in response to specific questions raised by the IAASB.

1. **Do respondents believe that the nature and extent of requirements in proposed ISAE 3000 would enable consistent high quality assurance engagements while being sufficiently flexible given the broad range of engagements to which proposed ISAE 3000 will apply?**

ACAG broadly supports the proposal but has some concerns which are outlined further in relation to each of the specific questions.

2. **With respect to levels of assurance:**

- (a) **Does proposed ISAE 3000 properly define, and explain the difference between, reasonable assurance engagements and limited assurance engagements?**

ACAG broadly supports the changes to the definitions notwithstanding our comments and recommended amendment below.

ACAG considers the proposed standard does not go far enough in describing the sorts of procedures you would be performing in relation to a limited assurance engagement. The provision of further guidance in this standard or in the subject-specific standards which sit beneath it would assist users to better understand the differences.

In relation to the definition of a reasonable assurance engagement, ACAG believes that the conclusion should not be expressed as ‘an opinion’ in all cases, particularly for direct engagements such as performance audits (see paragraphs 8(a)(i)(a) and 60(l)(ii)). This view is consistent with: subject matter information sometimes being expressed in the form of a conclusion; and also paragraph 6(b). In addition, the use of a conclusion helps differentiate a ‘non-financial’ reasonable assurance engagement from a ‘financial’ reasonable assurance engagement. It is more logical that a conclusion ‘concludes’ rather than ‘opines’. (This comment also impacts the proposed International Framework for Assurance Engagements, for example, paragraph 17.) ACAG recommends changing the second sentence in 8(a)(i)(a) to:

‘The practitioner’s conclusion is expressed in a form that conveys that conclusion on the outcome of the measurement or evaluation of the underlying subject matter.’

In relation to the definition of a limited assurance engagement, the definition uses the term ‘materially misstated’. As discussed later in this response, ACAG considers that the term ‘misstatement’ may not always be appropriate for use in relation to direct engagements.

(b) Are the requirements and other material in proposed ISAE 3000 appropriate to both reasonable assurance engagements and limited assurance engagements?

Other than the issues discussed below, (particularly under 2(c)) the requirements and other material in the proposed standard are appropriate to both reasonable assurance engagements and limited assurance engagements.

(c) Should the proposed ISAE 3000 require, for limited assurance, the practitioner to obtain an understanding of internal control over the preparation of the subject matter information when relevant to the underlying subject matter and other engagement circumstances?

For both limited and reasonable assurance engagements the standard requires a risk-based approach to be taken (ie the procedures performed must be responsive to the assessed risks). For a reasonable assurance engagement, the auditor must identify and assess the risks of material misstatement and perform procedures designed to respond to these assessed risks (paragraph 41). While the proposed standard does not require a stringent risk assessment process for limited assurance engagements, the practitioner must still consider areas where material misstatements are likely to arise and perform procedures to obtain a level of assurance that is ‘meaningful’ to users (paragraph 42).

For the types of limited assurance engagements performed by practitioners in the public sector (examples provided in Appendix A), the practitioner could generally be expected to obtain an understanding of internal control over the preparation of the subject matter information. However, it is considered there are circumstances where observation and sufficient substantive procedures can be undertaken without the need to obtain an understanding of internal control. The same situation can also apply for reasonable assurance engagements.

This could be provided for by paragraph 37 stating ‘Where relevant, the practitioner’s understanding shall include an understanding of internal control...’. This would also require reconsideration of Application Guidance paragraph A93.

3. **With respect to attestation and direct engagements:**

- (a) **Do respondents agree with the proposed changes in terminology from ‘assurance-based engagements’ to ‘attestation engagements’ as well as those from ‘direct-reporting engagements’ to ‘direct engagements’?**

ACAG agrees with the changes in terminology. Using the term assurance-based engagements was particularly confusing given both types of engagements meet the definition of assurance engagements.

- (b) **Does proposed ISAE 3000 properly define, and explain the difference between, direct engagements and attestation engagements?**

ACAG believes that the proposed standard adequately defines direct engagements and attestation engagements. ACAG welcomes the addition of information addressing the nature of direct engagements, and the differences from and similarities to attestation engagements. However, the provision of examples would assist users to better understand the nature of each.

ACAG does, however, have reservations about the terms ‘subject matter information’ and ‘underlying subject matter’. ACAG notes that an understanding of these terms and how they are defined is critical to an understanding of a number of key aspects of the proposed standard and considers that the similarity of these terms and the wording of the definition of ‘underlying subject matter’ as ‘The phenomenon that is measured or evaluated by applying criteria’ warrants further consideration by the Board. ACAG suggests that ‘subject matter information’ could perhaps be changed to ‘subject matter assessment’. As a minimum, we suggest that the standard include examples to illustrate what is represented by ‘underlying subject matter’.

- (c) **Are the objectives, requirements and other material in the proposed ISAE 3000 appropriate to both direct engagements and attestation engagements? In particular:**

ACAG welcomes the addition of new application and other explanatory material addressing direct engagements. However, in some cases, the standard appears to have been written to capture attestation engagements, with additional paragraphs being added to address direct engagements. As a result there are a number of requirements in the proposed standard which may not be appropriate to direct engagements. ACAG suggests the standard should contain clear mandatory requirements and definitions appropriate for both types of engagements.

Also refer to the specific comments below.

- (i) **In a direct engagement when the practitioner’s conclusion is the subject matter information, do respondents believe that the practitioner’s objective in paragraph 6(a) (that is, to obtain either reasonable assurance or limited assurance about whether the subject matter information is free of material misstatement) is appropriate in light of the definition of a misstatement (see paragraph (8)(n))?**

ACAG is concerned that the wording in the standard does not support application to direct engagements, whether or not the practitioner’s conclusion is the subject matter information.

There are a number of paragraphs in the standard which are not applicable or do not relate well to a direct engagement.

The standard has been drafted so that assurance is obtained over the ‘subject matter information’. This is appropriate for an attestation engagement. However, it is not appropriate in a direct engagement as providing assurance on whether the subject matter information is not materially misstated means the practitioner is providing assurance that their findings are not materially misstated.

Consider the following direct engagement scenario:

- The underlying subject matter is the controls operating within an entity during the year.
- The criteria is the effective operation of the 10 controls mandated by legislation.

The practitioner applies the criteria to the underlying subject matter and concludes that the criteria are met. Therefore, the subject matter information is that effective controls were in place for the year (note, this is also the conclusion in this instance).

For there to be a misstatement, the practitioner must conclude that there is a difference between their own findings (the subject matter information) and a ‘proper measurement or evaluation... of the underlying subject matter against the applicable criteria’. That is, the practitioner must conclude that they have not undertaken a ‘proper measurement or evaluation’ when performing their work.

While ACAG does not consider this is the proposed standard’s intention, particularly in light of paragraph A164, the main body of the standard as written can be interpreted as not being consistent with A164.

ACAG’s view is that for a direct engagement, the practitioner should seek to provide assurance that the **underlying subject matter** meets applicable criteria.

Where the underlying subject matter does not meet the applicable criteria, the practitioner’s opinion should be modified.

That is, for the scenario above, where effective controls were not exercised by an entity, the practitioner modifies their opinion. As the standard is written, it could be interpreted that if controls were **not** in place, and the practitioner considered that they had conducted their evaluation of controls ‘properly’, then the assurance report would be unmodified.

ACAG considers that this problem could be resolved by the following:

- The notion that assurance is provided on the subject matter information should not be applied to direct engagements.
- Instead, for direct engagements, assurance should be provided that the underlying subject matter meets the criteria.
- The concept of misstatement should be expanded to accommodate the concept of a ‘deviation from criteria’.
- Where there is material deviation from criteria, the assurance conclusion outlines details of the variation.

The objective of an assurance engagement

In the light of the above discussion, ACAG submits that the objective as contained in paragraph 6(a) of the standard is not appropriate for a direct engagement as it refers to a material misstatement and assurance over the 'subject matter information'.

ACAG suggests that the objective either needs to be so broad in nature that it does not refer specifically to subject matter information or, alternatively that separate objectives be provided for attestation and direct engagements.

A suggested form of the latter follows:

In conducting an assurance engagement, the objectives of the practitioner are:

- (a) To obtain reasonable assurance or limited assurance, as appropriate, in order to enhance the degree of confidence of the intended users other than the responsible parties about:
 - (i) in the case of an attestation engagement, whether the subject matter information (that is, the reported outcome of the measurement or evaluation of the underlying subject matter) is free from material misstatement; and
 - (ii) in the case of a direct engagement, whether the underlying subject matter, in all material respects, meets the criteria.

- (ii) **In some direct engagements, the practitioner may select or develop the applicable criteria. Do respondents believe the requirements and guidance in proposed ISAE 3000 appropriately address such circumstances?**

ACAG believes that the requirements and guidance in the proposed standard appropriately address circumstances in which the practitioner selects or develops the applicable criteria.

4. With respect to describing the practitioner's procedures in the assurance report:

- (a) **Is the requirement to include a summary of the work performed as the basis for the practitioner's conclusion appropriate?**

ACAG is satisfied that the requirement to include a summary for the work performed as the basis for the conclusion is appropriate, as this supports the reader in understanding the conclusion formed and the level of assurance obtained (ie reasonable or limited assurance).

However, it is important to ensure that users of an assurance report appreciate that the nature and level of procedures or work performed are dependent on the risks identified (ie the same level of assurance has been obtained regardless of the procedures performed). There is a risk that users may interpret that a greater level of assurance has been obtained where there is a longer, more detailed list of procedures contained in the assurance report.

- (b) **Is the requirement, in the case of limited assurance engagements, to state that the practitioner's procedures are more limited than for a reasonable assurance engagement and consequently they do not enable the practitioner to obtain the assurance necessary to become aware of all significant matters that might be identified in a reasonable assurance engagement, appropriate?**

The requirement to state that the procedures are more limited is appropriate and further assists readers in understanding the conclusion formed and level of assurance obtained.

- (c) **Should further requirements or guidance be included regarding the level of detail needed for the summary of the practitioner’s procedures in a limited assurance engagement?**

The IAASB has acknowledged that it is difficult to clearly and unambiguously communicate a summary of the work performed. If the IAASB believes these details are necessary for a user to adequately understand and appreciate the level of assurance obtained, then the provision of examples is the best way to ensure consistent application.

The IAASB should consider the examples of assurance reports submitted by respondents and consider providing an example for a limited assurance engagement as it relates to the summary of work performed.

This reinforces the need for more information to be provided in the standard in relation to the level of detail expected to be included in the assurance report. ACAG also considers that the assurance report at a minimum should be required to state that procedures carried out were designed to address the addressed risks. This would remind users that there may be differing risks from one audit to another and that the procedures performed should be considered in light of this.

We also noted that there are a number of ‘may’ statements made in the application guidance to the standard, e.g. ‘It may be appropriate to include in the summary a statement that the work performed included evaluating the suitability of the criteria’. A minimum standard should be set by the IAASB and included as mandatory requirements in the main body of this standard or the subject specific standards which sit beneath it. In ACAG’s view this may mean mandating such requirements with the proviso of ‘where relevant’ instead of inclusion in application guidance.

5. **Do respondents believe that the form of the practitioner’s conclusion in a limited assurance engagement (that is, ‘based on the procedures performed, nothing has come to the practitioner’s attention to cause the practitioner to believe the subject matter information is materially misstated’) communicates adequately the assurance obtained by the practitioner?**

ACAG acknowledges that there is a risk that readers of limited assurance engagement reports may not fully appreciate the limited nature of the assurance provided in comparison to a more detailed reasonable assurance engagement. This is so, even though the conclusions are expressed negatively.

To compensate for this significant risk, ACAG considers the limited assurance engagement report should include a clear statement following the conclusion that the report provides a lesser level of assurance compared to a reasonable assurance engagement.

6. **With respect to those applying the standard:**

- (a) **Do respondents agree with the approach taken in proposed ISAE 3000 regarding application of the standard by competent practitioners other than professional accountants in public practice?**

ACAG agrees that the standard should be applied by those who work for an accounting firm or public sector auditors who are not members of an IFAC body as the engagement partner (who is responsible for the assurance report) will generally meet the definition of a professional accountant in public practice.

In ACAG’s view, the approach taken and requirements included address the concerns expressed in the explanatory memorandum that intended users have no way of telling whether the practitioner has the level of education and training, ethical requirements, technical standards and quality control that would be expected from a member of an IFAC member body.

(b) Do respondents agree with proposed definition of ‘practitioner’?

ACAG agrees with the proposed definition.

COMMENTS ON OTHER MATTERS

Public Sector— special considerations

Agreeing on the terms of the engagement- paragraph 23

The requirement to agree on the terms of the engagement with the engaging party may not always be appropriate or practical for an Auditor-General. This is acknowledged in paragraph A55 of the proposed standard. To address this issue ACAG recommends that paragraph 23 be revised as follows:

‘The practitioner shall communicate or agree on the terms of the engagement with the engaging party’.

Small and Medium Sized Practices (SMPs) and Small and Medium Sized Entities (SMEs)

ACAG does not see any specific issues with scalability of the requirements.

Preconditions for the Assurance Engagement

Experience in the Australian public sector is that some of the preconditions listed in paragraph 20 will not be known until planning has been completed or is near completion. For example, suitable criteria are not likely to be fully defined until an advanced understanding of the underlying subject matter and related benchmarking is gained and the engagement plan is completed or is near completion.

ACAG therefore does not agree with the proposed paragraph 21 that indicates that where an engagement is ‘accepted’ as required by laws or regulations, but does not meet the listed preconditions, the engagement does not comply with the ISAEs. ACAG considers that the construct at paragraph 8 of ISA 210 to be more appropriate.

Alternatively, ACAG considers that paragraph 20 could be amended to recognise that planning for the engagement may be required before it can be determined that ‘... The engagement exhibits all of the following characteristics: ...’ Such a change would be consistent with paragraph 35 on planning. The amendment could state that the engagement exhibits the characteristics based on the ‘... practitioner’s preliminary knowledge of the engagement circumstances ...’ as is done in the present Australian Auditing and Assurance Standards Board’s - Framework for Assurance Engagements - paragraph 17.

This proposed amendment also has implications for the proposed International Framework of Assurance Engagements – paragraph 24(b).

Proper evaluation or measurement (The comments in relation to this matter are not supported by all members of ACAG)

There is little information in the exposure draft about the concept of a ‘proper measurement or evaluation’. This concept has potential to be contentious in practice. Where a practitioner communicates in their assurance report that the subject matter information as prepared by an ‘other party’ is materially misstated, there are potential ramifications for both the practitioner and the other party. This would be exacerbated where the other party does not agree with the practitioner.

To determine whether there is a misstatement the practitioner must resort to a dictionary definition of 'proper'. Our assumption is that to determine if there is a misstatement, the practitioner applies their professional judgement as to whether the other party has obtained sufficient appropriate evidence to support their conclusion. Also, the practitioner would apply their professional judgement to determine if the other party's interpretation of the evidence was appropriate. It is our view that the intention needs to be much more clearly articulated in the standard.

Also, for an attestation engagement, it is not clear what is required when the practitioner does not concur that the criteria developed and used were appropriate. This will only be an issue where either acceptance of the engagement is required by law or regulation, or the issue is discovered after the engagement has been accepted (paragraphs 21 and 22). Paragraph 22 notes that in the latter situation, the practitioner shall determine whether, and if so how, to communicate the matter in the assurance report.

Further guidance should be included to highlight that this is not considered to be a misstatement (and therefore does not result in a modification), and how this might be communicated through the assurance report. For example should such a situation involve an Emphasis of Matter paragraph?

SUBMISSION TWO

Proposed International Standard on Assurance Engagements ISAE 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information

OVERALL COMMENT

ACAG recognises that this is the foundation standard for a broad range of non-financial engagements. For this reason, the standard needs to stand-alone and provide the minimum necessary guidance to assist users to understand and apply the standard for a range of engagements and in various circumstances.

In the public sector, this standard will represent the foundation document for assurance engagements undertaken by Auditors-General in accordance with their respective legislative mandates (as these audits come within the definitions of ‘direct’ and ‘attestation’ engagements). In this respect, ACAG is concerned that the proposed standard should contain greater consideration and guidance for direct engagements.

The Explanatory Memorandum accompanying the proposed standard seeks comment in respect of a number of particular matters. We have provided comment on these matters under the heading ‘Request for Specific Comments’.

In addition, we have provided comment on other matters that have come to our attention under the heading ‘Comments on Other Matters’.

REQUEST FOR SPECIFIC COMMENTS

2. With respect to levels of assurance:

- (a) **Does proposed ISAE 3000 properly define, and explain the difference between, reasonable assurance engagements and limited assurance engagements?**

ACAG broadly supports the changes to the definitions notwithstanding our comments and recommended amendment below.

ACAG considers the proposed standard does not go far enough in describing the sorts of procedures you would be performing in relation to a limited assurance engagement. The provision of further guidance in this standard or in the subject-specific standards which sit beneath it would assist users to better understand the differences.

In relation to the definition of a reasonable assurance engagement, ACAG believes that the conclusion should not be expressed as ‘an opinion’ in all cases, particularly for direct engagements such as performance audits. (See paragraphs 8(a)(i)(a) and 60(1)(ii)). This view is consistent with: subject matter information sometimes being expressed in the form of a conclusion; and also paragraph 6(b). In addition, the use of a conclusion helps differentiate a ‘non-financial’ reasonable assurance engagement from a ‘financial’ reasonable assurance engagement. It is more logical that a conclusion ‘concludes’ rather than ‘opines’. (This comment also impacts the proposed International Framework for Assurance Engagements, for example, paragraph 17.) ACAG recommends changing the second sentence in 8(a)(i)(a) to:

‘The practitioner’s conclusion is expressed in a form that conveys that conclusion on the outcome of the measurement or evaluation of the underlying subject matter.’

The term material misstatement is applied to both types of engagements (see definition for a limited assurance engagements and paragraph A5 for direct engagements). As discussed later in this response, ACAG considers that the term ‘misstatement’, as currently described, may not always be clear in relation to direct engagements. However, ACAG supports the application of the concept of misstatement to all engagements.

3. With respect to attestation and direct engagements:

(c) Are the objectives, requirements and other material in the proposed ISAE 3000 appropriate to both direct engagements and attestation engagements? In particular:

(i) In a direct engagement when the practitioner’s conclusion is the subject matter information, do respondents believe that the practitioner’s objective in paragraph 6(a) (that is, to obtain either reasonable assurance or limited assurance about whether the subject matter information is free of material misstatement) is appropriate in light of the definition of a misstatement (see paragraph (8)(n))?

ACAG is concerned that the wording in the standard does not clearly support application to direct engagements and misstatements.

The standard has been drafted to require the practitioner to express a conclusion on the outcome of the measurement or evaluation of the underlying subject matter. To do so the practitioner must obtain assurance on the extent to which the outcome of the measurement or evaluation is free from material misstatement. This applies to both attestation and direct engagements. For a direct engagement the subject matter information is created independently by the practitioner and assessed by the practitioner through applying appropriate skills and techniques to obtain the engagement’s evidence providing the assurance. Using this evidence the practitioner is able to express a conclusion about whether or not the subject matter information is materially misstated. (See paragraphs A4 – A6.)

Consider the following direct engagement scenario:

- The underlying subject matter is the controls operating within an entity during the year.
- The criteria is the effective operation of the 10 controls mandated by legislation.

The practitioner applies the criteria to the underlying subject matter and concludes that the criteria are met. Therefore, the subject matter information is that effective controls were in place for the year (note, this is also the conclusion in this instance).

In direct engagements like this the focus of proper evaluation when testing for material misstatement is on the practitioner’s approach. The extent of any misstatement, proper measurement or evaluation is tested during planning, undertaking and reporting and by the practitioner applying professional judgement and quality control. This includes: the applicability of criteria, the measurement of variation from them and the management of engagement risk.

For an attestation engagement the practitioner is independent from the subject matter information because the other party has prepared it. The focus is on testing the other party's proper measurement or evaluation and the practitioner obtains evidence that the subject matter information is free from material misstatement. (See paragraph A3.) This results in similar quality and quantity of evidence to a direct engagement. (See paragraph A6.) This further illustrates the point that who prepares the subject matter information influences how a potential misstatement is considered.

The definition of subject matter information provided in the proposed standard is that it is 'the outcome of the measurement or evaluation of the underlying subject matter against applicable criteria'. As proposed it applies to circumstances in both types of engagements where there is 'deviation (variation) from criteria'.

In such cases where the underlying subject matter does not meet the applicable criteria, and this is confirmed by the practitioner's evidence, the engagement's conclusion should be modified. In the above example the conclusion would not be modified.

ACAG considers this understanding to be consistent with paragraph A164.

To clarify the application to direct engagements ACAG considers:

- The definition of misstatement should be expanded to clearly illustrate its application to attestation and direct engagements.
- Where there is material deviation indicated in the subject matter information, and verified by the practitioner's evidence, the conclusion should outline details of the variation.

Appendix A

REQUEST FOR EXAMPLES OF ASSURANCE ENGAGEMENTS

The explanatory memorandum accompanying the proposed standard seeks examples of assurance engagements being undertaken in practice. Note that the following tables contain examples from various jurisdictions within Australia and therefore there may be differences in the way engagements have been reported on for a given category.

Direct Engagements

Reasonable assurance

State	Nature of engagement	Name of Report	Attachment No or Link
WA	Performance audit	Universal Child Health Checks Report 11 (November 2010)	http://www.audit.wa.gov.au
WA	Performance audit (with compliance components)	Public Sector Performance Report 2011 (Report 5 June 2011) <ul style="list-style-type: none"> Agency Compliance with Procurement Requirements Managing the Priority Start – Building Policy 	http://www.audit.wa.gov.au
WA	Compliance audit	Information Systems Audit Report (Report 4 June 2011) <ul style="list-style-type: none"> Cyber Security in Government Agencies Application and General Computer Controls 	http://www.audit.wa.gov.au
WA	Compliance audit ¹	Independent Audit Opinion – Commissioner of Main Roads as at 30 June 2010 – Controls Opinion	http://www.mainroads.wa.gov.au
NSW	Compliance audit	Report on the Contracts Summary for (details of Contracts) compliance with the ‘Working with Government: Guidelines for Privately Finance Projects’	Attachment I
NSW	Performance audit	The Effectiveness of Cautioning for Minor Cannabis Offences (NSW Police Force, NSW Health)	http://www.audit.nsw.gov.au/publications

¹ These types of audits are subject to ASAE 3000. These audits are performed in conjunction with the audit of financial statements and the requirements of ASAs applied to the financial statements are also applied to the controls and KPI audits.

State	Nature of engagement	Name of Report	Attachment No or Link
NSW	Performance audit	Government Expenditure and Transport Planning in relation to implementing Barangaroo	Attachment VI
Vic	Performance audit	Hazardous Waste Management (June 2010)	http://www.audit.vic.gov.au/reports_and_publications
ANAO	Performance audit	Audit Report No 56 2010-11 Administering the Character Requirements of the <i>Australian Citizenship Act 2007</i> – Department of Immigration and Citizenship	http://www.anao.gov.au/Publications
SA	Opinion on effectiveness of controls	Incorporated into the Annual Auditor-General's Report to Parliament	Attachment IV http://www.audit.sa.gov.au
SA	Probity review	Report on the Auditor-General's Examination, Pursuant to Section 39 of the <i>Passenger Transport Act 1994</i> , of Certain Bus Contracts and the Probity Processes Leading up to the Awarding of the Contracts	Attachment V http://www.audit.sa.gov.au

Direct Engagements

Limited assurance

State	Nature of engagement	Name of Report	Attachment No or Link
NSW	Compliance review	Report on compliance with Premier's Memorandum M2006-11 'NSW Procurement Reforms'	Attachment II

Attestation Engagements

Reasonable assurance

State	Nature of engagement	Name of Report	Attachment No or Link
WA	Compliance review ²	Independent Audit Opinion – Commissioner of Main Roads as at 30 June 2010 – Key Performance Indicators	http://www.mainroads.wa.gov.au

² These types of audits are subject to ASAE 3000. These audits are performed in conjunction with the audit of financial statements and the requirements of ASAs applied to the financial statements are also applied to the controls and KPI audits.

State	Nature of engagement	Name of Report	Attachment No or Link
NSW	Assurance report on controls at a service organisation	Independent Auditor's Report (Name of service organisation)	Attachment III
ANAO	Compliance review	Independent Report on the National Sexually Transmissible Infections (STIs) Prevention Program: Sexual Health Campaign (May 2009 – June 2010) – Additional material	http://www.anao.gov.au/Publications
SA	Review of confidential contracts	Report of the Auditor-General on Summary of Pelican Point Power Station Project documents under section 41A of the <i>Public Finance and Audit Act 1987</i>	Attachment V http://www.audit.sa.gov.au

Attestation Engagements

Limited assurance

State	Nature of engagement	Name of Report	Attachment No or Link
ANAO	Review of the status of selected Defence equipment acquisition projects	Report 17 2010-11: (Assurance Report) 2009-10 Major Projects Report (Defence Materiel Organisation)	http://www.anao.gov.au/Publications
ANAO	Compliance review	Independent Report on the National Sexually Transmissible Infections (STIs) Prevention Program: Sexual Health Campaign (May 2009 – June 2010) – Additional material	http://www.anao.gov.au/Publications