

Appendix 3: About the audit

Audit objective

This audit assessed the effectiveness of the NSW Department of Family and Community Services' work to manage the risks of the NDIS transition in New South Wales by building the readiness of the non-government sector for the NDIS.

Audit questions

We addressed the audit objective by asking the following questions:

1. Has the department supported the non-government sector to build capacity to meet expected changes in demand under the NDIS?
2. Has the department supported disability service providers in New South Wales to improve their capability to deliver NDIS services?
3. Has the Department's work to prepare for the NDIS been coordinated with the Australian Government's sector and provider readiness work?

Audit scope

The audit assessed:

1. the Department's planning to increase the capacity of the non-government sector
2. the Department's investment to build the capability of existing non-government disability service providers
3. the Department's working relationships with the Australian Government, NDIA and other NSW Government departments.

The audit did not assess:

- the transfer of the Department's services, staff or assets to the non-government sector
- the transition of client and provider data from the Department to the NDIA
- the effectiveness of the work of the Australian Government or NDIA in fulfilling their responsibilities for the NDIS transition.

Audit approach

Our procedures were:

1. Reviewing documents in areas including:
 - policies and plans to increase the service capacity of non-government organisations in New South Wales
 - planning and assessment of the Department-funded provider capability building programs, including meeting minutes and evaluation documents
 - transition planning documents, including correspondence with the Australian Government about the development of strategies to support the NDIS transition.
2. Analysing data relating to:
 - the distribution of funding to disability service providers in New South Wales
 - the number and type of people using disability services in New South Wales.
3. Interviewing staff from the Department, including:
 - executives and managers with sector development responsibilities
 - staff in the Department's district offices who manage the contracts of service providers in their area.
4. Surveying disability service providers in NSW to seek their views on:
 - their readiness to provide services under the NDIS
 - the usefulness of the Department-funded programs in helping them prepare for the transition to the NDIS.

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 Standards ASAE 3500 on performance auditing. The Standard requires 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 the auditing requirements specified in the Public Finance and Audit Act 1983.

Acknowledgements

We gratefully acknowledge the co-operation and assistance provided by staff at the Department of Family and Community Services, including our audit liaison leads Craig Layton and David Gledhill and the Department staff who gave their time to participate in interviews and provide documents and data. We also thank the other stakeholders that made the time to speak to us during the audit.

Audit team

The audit was conducted by Alex Kaiser, Matthew Blunt and Michelle Ravindran. Oversight and quality assurance was provided by Michael Thistlethwaite, Andrew Hayne and Kathrina Lo.

Audit cost

The cost of the audit was approximately \$230,000 including overheads and travel costs.