



Appendix three – About the audit

Audit objective

This audit assessed whether the selected government advertising campaigns were carried out effectively, economically and efficiently and in compliance with the *Government Advertising Act 2011*, the regulations, other laws and the Government Advertising Guidelines.

Audit questions

We addressed the audit objective by asking the following questions:

1. Were the selected advertising campaigns carried out effectively, economically and efficiently?
2. Did the selected advertising campaigns comply with the *Government Advertising Act 2011*, relevant regulations, laws and the NSW Government Advertising Guidelines?

Audit scope

In assessing the criteria, we checked the following aspects:

1. Effectiveness
 - a) Whether the campaign achieved impact or outcomes indicating effectiveness, verified through evaluation.
 - b) Whether the impact or outcomes of the campaign aligned with what the campaign intended to achieve.
2. Efficiency
 - a) Whether the campaign's impact or outcomes could have been achieved more efficiently.
 - b) Whether the campaign was conducted with an efficient ratio of output to inputs.
 - c) Whether the campaign was well-targeted at its intended audience.
3. Economy
 - a) Whether the campaign represented value for the expenditure and resources devoted to it.
4. Compliance with the *Government Advertising Act 2011*, Guidelines and other relevant regulation and laws
 - a) Whether the campaign complied with the prohibition on political advertising (s.6).
 - b) Peer review and cost benefit analysis obligations (s.7).
 - c) The requirement for an advertising compliance certificate to be issued by the head of the agency (s.8).

Audit exclusions

The audit did not seek to question the merits of NSW Government policy or objectives.

Audit approach

Our procedures included:

1. Interviewing
 - a) select agency staff involved in campaign development and approval to discuss government advertising procedures and assess agency views on the effectiveness, efficiency and economy of the campaign
 - b) Department of Premier and Cabinet staff to discuss their observations of the campaign, role in the campaign approval process, and understanding of the application of the Government Advertising Guidelines.

2. Examining
 - a) campaign materials and documentation
 - b) documents evidencing internal processes designed to ensure compliance with government advertising legislation and guidelines
 - c) peer review reports
 - d) cost benefit analyses
 - e) materials supporting any factual claims in the advertisement
 - f) compliance certificates
 - g) post-implementation evaluations
 - h) business case submissions to DPC
 - i) documentation regarding satisfaction of internal clients, including feedback/interviews
 - j) key documentation regarding targeting of intended audience, including selection of medium and message
 - k) evidence of use of Advertising and Digital Communications Suppliers and Media Agency Services
 - l) evidence related to recent selections of Advertising and Digital Communications Suppliers and Media Agency Services, including value-for-money assessments.
3. Analysing statistics/evidence of monitoring and consultation regarding quality of advertising and public awareness of subject matter.

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 Premier and Cabinet, the Office of Local Government and the Department of Justice. We also thank the other stakeholders that made the time to speak to us during the audit.

Audit team

Kevin Hughes, Laura Benecke and XinYin Ooi conducted this audit. Claudia Migotto and Rod Longford provided oversight and quality assurance.

Audit cost

Including staff costs, travel and overheads, the estimated cost of the audit is \$147,341.