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# Appendix two – About the audit

## Audit objective

This audit assessed whether Destination NSW can demonstrate that its support for major events achieves value for money.

## Audit criteria

We addressed the audit objective by examining whether:

1. DNSW effectively assesses proposals to support major events.
2. DNSW effectively evaluates the impact of its support for major events.

## Audit scope and focus

The audit focused on DNSW's processes for assessing and evaluating major events. We completed a detailed review of a selection of ten major events that DNSW supported which were hosted in 2017–18.

## Audit exclusions

The audit did not:

- question the merits of government policies
- assess the adequacy of DNSW's events budget
- assess whether specific events should or should not have been funded
- undertake a cost benefit analysis of funded events or re-perform other analysis of events
- include conferences or small regional events funded under the Regional Flagship Events Funding Program
- include analysis of the Vivid Festival, which is organised directly by DNSW.

## Audit approach

Our procedures included:

1. interviewing
  - relevant DNSW staff
  - key stakeholders, including Treasury
2. examining relevant data and documents, including legislation, policies, strategies, plans, guidelines, reviews and evaluations
3. examining in-depth documents related to a selection of ten major events that received DNSW support in 2017–18
4. research into relevant practices in other Australian jurisdictions.

We used a judgemental sampling approach to select events for the in-depth review based on the following criteria:

- events in the top five funded by category (art and entertainment, industry promotion, lifestyle and participation sports, regional, and spectator sports)
- location (Sydney and regional New South Wales)
- frequency (one-off and recurring)
- access (ticketed and free access)
- timing (peak and off-peak)
- how secured (bid, DNSW approached an event organiser, and event organiser approached DNSW)
- length (one-day and multiple days)
- evaluated events only.

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 *Public Finance and Audit Act 1983*.

## **Acknowledgements**

We gratefully acknowledge the co-operation and assistance provided by DNSW. In particular, we would like to thank our liaison officer and staff who participated in interviews and provided evidence for the audit.

## **Audit cost**

The estimated cost of the audit is \$218,000.