

---

# Appendix five – About the audit

## Audit objective

This audit assessed whether grants programs administered under the Small Business support Fund were effectively designed and implemented to provide disaster relief.

## Audit criteria

We addressed the audit objective by examining the following criteria:

1. Were funded programs planned, designed and targeted effectively?
2. Were funded programs implemented in line with grant program objectives and criteria?
3. Have entities established measures to monitor intended benefits and outcomes?

## Audit scope and focus

In assessing the criteria, we checked the following aspects:

1. Were funded programs planned, designed and targeted effectively?
  - a) sound methodologies and assumptions were used to design and target grants programs to meet program objectives
  - b) sponsor agencies established clear program objectives, eligibility criteria, risk management and other delivery requirements for delivery agencies
  - c) sponsor agencies established governance arrangements, roles and responsibilities and support for delivery agencies
2. Were funded programs implemented in line with grant program objectives and criteria?
  - a) delivery agencies implemented the grants program in line with objectives, criteria and guidance
  - b) the eligibility, guidelines, application process and entity systems enabled clear, transparent and efficient grantee applications
  - c) funds to approved recipients were distributed in line with the grant objectives and guidance, including rapid disbursement
3. Have entities established measures to monitor intended benefits and outcomes?
  - a) an evaluation plan was established to evaluate impacts, and obtain feedback from grantees
  - b) intended benefits and outcomes were monitored to assess achievement of program objectives
  - c) controls were in place to identify fraud, reduce waste and remediate inefficiencies.

## Audit exclusions

The audit did not:

- examine any other grant programs not administered under the Small Business Support Fund such as the:
  - bushfire recovery grants
  - drought assistance loan schemes
- examine schemes administered on behalf of the Commonwealth
- comment on government policy objectives.

## Audit approach

Our procedures included:

1. interviews<sup>2</sup> with relevant staff from NSW Treasury, Service NSW and the Department of Customer Service responsible for:
  - advising senior decision makers on the design and implementation of the grants programs
  - implementing the grants program and administrative processes
  - benefits management and evaluation.
2. examining and analysing relevant documents and data used to:
  - establish objectives, eligibility criteria and guidelines and intended outcomes for the grants programs
  - develop assumptions for the grants programs design
  - establish implementation plans and governance
  - determine and measure benefits and outcomes
  - monitor and report on delivery progress and risk management
3. understanding and evaluating relevant internal controls
4. performing independent testing and data analytics over paid grants for the selected programs.

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* and the *Local Government Act 1993*.

## Acknowledgements

We gratefully acknowledge the co-operation and assistance provided by staff from NSW Treasury, Service NSW and the Department of Customer Service, recognising in particular the challenges associated with COVID-19 restrictions. We also gratefully acknowledge the representatives from stakeholder organisations who participated in the audit.

## Audit cost

The audit cost is \$360,000 including expenses.

---

<sup>2</sup> Interviews were conducted online due to the COVID-19 restrictions in place at the time of the audit.