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# Appendix 2 – About the audit

## Audit objective, criteria and scope

This audit assessed whether the Racing for the Regions grant program was administered and delivered effectively to meet government objectives.

The audited entities were the Department of Creative Industries, Tourism, Hospitality and Sport (the Department) and Racing NSW.

We addressed the audit objective by examining the following criteria:

- Is the Department ensuring that Racing NSW complies with grant funding requirements?
  - Has the Department managed grant payments in accordance with policy and legislative requirements?
  - Has the Department monitored the progress of funded projects?
  - Has the Department identified and managed project risks including delays and increased costs?
- Is the Department evaluating and reporting on project delivery and outcomes?
  - Is the Department reporting on what has been delivered?
  - Is the Department evaluating whether the stated objectives of the grant program are being achieved?
- Is Racing NSW fulfilling its obligations under the grant funding deed with the Department?
  - Has Racing NSW established systems for project management and delivery?
  - Has Racing NSW complied with the governance and reporting requirements set by the Department?
  - Has Racing NSW complied with relevant financial and probity requirements for grant funding?

The audit did not:

- examine the activities of Racing NSW that are not connected with the Racing for the Regions grant program or other grants administered by the Department, such as the Greyhound Capital Grants
- question the merits of government policy objectives, including the funding allocation decisions for the Racing for the Regions program.

## Audit approach

Our procedures included interviewing staff from the Department and Racing NSW, and examining documents related to the management and delivery of the Racing for the Regions program.

The audit approach included quality assurance processes within the Audit Office to ensure compliance with professional standards.

## Audit methodology

Our performance audit methodology is designed to satisfy Australian Auditing Standard ASAE 3500 Performance Engagements and other professional standards. The standards require the audit team to comply with relevant ethical requirements, 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 *Government Sector Audit Act 1983* and the *Local Government Act 1993*.

## **Acknowledgements**

We acknowledge the assistance provided by staff from the Department and Racing NSW.

## **Audit cost**

The estimated cost of the audit, including staff costs and overheads, is approximately \$400,000.