
Appendix 2 – About the audit

Audit objective

This audit assessed whether the NSW Reconstruction Authority is effectively administering the Resilient Homes Program (RHP) and the Resilient Lands Program (RLP) to meet the programs' objectives.

Audit criteria

The Audit Office addressed the audit objective with the following audit criteria:

- the NSW Reconstruction Authority effectively planned the administration of both programs
- the NSW Reconstruction Authority effectively delivered the RHP
- the NSW Reconstruction Authority effectively delivered the RLP.

Audit scope and focus

In assessing the criteria, we checked the following aspects:

- The NSW Reconstruction Authority effectively planned the administration of both programs
 - The agency developed evidence-based strategies and plans for both programs informed by a comprehensive assessment of demand and future flood risk
 - The agency established timelines and key performance indicators (KPIs) for the delivery of both programs
 - Governance structures were established to support effective coordination between the Reconstruction Authority and other relevant entities
 - The agency effectively identified risks and strategies to respond to identified risks for both programs
 - The agency considered probity advice and conflicts of interest in the planning and design of both programs
 - The agency established and implemented a monitoring and evaluation plan for both programs.
- The NSW Reconstruction Authority effectively delivered the RHP
 - The agency delivered the RHP according to established strategies and plans and in line with identified need and demand
 - The agency delivered the RHP in line with established timelines and to meet KPIs
 - The agency used a risk-based approach to consistently assess and prioritise homes
 - The agency monitored the program's performance, including whether payments were meeting program objectives and achieving value for money
 - The agency effectively coordinated with other relevant entities in its delivery of the RHP
 - The agency monitored and addressed risks to program delivery and adapted the program where necessary.

- The NSW Reconstruction Authority effectively delivered the RLP
 - The agency delivered the RLP according to established strategies and plans and in line with identified need and demand
 - The agency delivered the RLP in line with established timelines and to meet KPIs
 - The agency consistently identified and assessed land that meets the RLP’s objectives
 - The agency effectively coordinated with other relevant entities in its delivery of the RLP
 - The agency monitored and addressed risks to program delivery and adapted the program where necessary
 - The agency developed and implemented a plan for the management and future use of the land and properties acquired through the RHP.

Audit exclusions

The audit did not:

- examine the activities of local councils relevant to both programs, except the NSW Reconstruction Authority’s planning and monitoring of these activities, and understanding the impact of these activities on the audited programs
- examine housing responses in areas outside of the Northern Rivers, including the Central West stream of the RHP
- examine other forms of flood response from the NSW Reconstruction Authority, including the provision of temporary housing and disaster relief grant programs
- examine the Flood Property Assessment Program
- question the merits of government policy objectives.

Audit approach

Our procedures included:

- interviewing key staff, including:
 - senior staff responsible for both programs
 - staff responsible for the planning of both programs
 - staff responsible for the delivery of both programs
 - staff responsible for performing evaluations of both programs
 - staff responsible for community and stakeholder engagement
 - local community stakeholders, including councils and NGOs.
- examining key sources of documentation including:
 - strategies and plans for both programs
 - outputs of demand modelling and flood-mapping analysis
 - memoranda of understanding or similar formal agreements between entities involved in the programs
 - key program documentation including governance and risk management
 - communication plans and related documentation
 - reporting on both programs
 - committee and taskforce meeting papers and minutes
 - program evaluations, recommendations and related action plans.
- analysing relevant data.

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 Auditing 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 Government Sector Audit Act 1983 and the Local Government Act 1993.

Acknowledgements

We gratefully acknowledge the cooperation and assistance provided by the NSW Reconstruction Authority.

Audit cost

The estimated cost of the audit is approximately \$740,000.