
Appendix 4 – About the audit

Audit objective

This audit assessed whether NSW Health efficiently and effectively provides access to planned surgery to public patients across the state.

Audit criteria

We addressed the audit objective by examining the following lines of inquiry and criteria.

1. Does NSW Health have effective policies, processes and data to manage planned surgery access?
 - a) NSW Health collects accurate and reliable data to understand planned surgery access
 - b) NSW Health provides relevant information to patients and clinicians to inform decisions to access planned surgery in the public health system
 - c) The Ministry of Health ensures that planned surgery access and related policies are designed well to deliver timely and equitable access to planned surgery and are operating effectively in local health districts
 - d) The Ministry of Health effectively monitors and manages local health district planned surgery access performance and efficiency.
2. Is NSW Health effectively and efficiently managing planned surgery waitlists?
 - a) Selected local health districts maintain complete, accurate and up-to-date waitlist information
 - b) Selected local health districts understand the demand for, and supply of, planned surgery within the district
 - c) NSW Health develops and implements effective and efficient procedures, plans and strategies to manage access to planned surgeries
 - d) Local health districts achieve planned surgery access performance expectations.

Audit scope and focus

This audit focused on assessing whether NSW Health efficiently and effectively provides access to planned surgery to public patients across the state. The audit considered the Ministry of Health's role in overseeing and supporting local health districts' management of planned surgery. Activity-based funding cost information was used to determine the efficient delivery of planned surgery.

The main period of focus for this audit was from January 2022 to December 2025.

South Western Sydney and Hunter New England Local Health Districts were selected to provide focus and illustrative examples of local waitlist management activities and challenges in providing patients with timely access to planned surgery, in both a metropolitan and regional NSW context. These 2 districts were selected based on the following considerations.

- Setting and location of the district's hospital facilities (metropolitan, rural and remote)
- Planned surgery access performance of hospital facilities
- Local First Nations populations and planned surgery access performance compared to wider populations
- Demographic factors, including population growth and ageing, socioeconomic disadvantage, and cultural and linguistically diverse communities
- Prevalence of outsourcing arrangements with private hospitals and cross-border arrangements.

See Appendix 2 for further details on the selected local health districts.

The 3 surgical specialties of Ear, Nose and Throat, Ophthalmology and Orthopaedics were selected to focus the audit's inquiries at the selected local health districts and hospitals. These specialties contain high-volume procedures such as cataract surgery, hip and knee replacements, tonsil removals and grommet insertions. These procedures account for a high proportion of patients on the waitlist and overdue for surgery.

Audit exclusions

The audit did not question the merits of government policy objectives.

The audit also did not examine the following topics.

- Operations of private hospitals that have been contracted to provide planned surgeries on behalf of NSW Health
- Appropriateness of clinical decision-making, such as the initial allocation of clinical urgency category by the treating specialist doctor. However, the audit will consider how NSW Health assures itself that clinical decision-making is appropriate.

Audit approach

The audit's procedures included the following.

1. Interviewing Ministry of Health and local health district staff responsible for designing and administering planned surgery access policy.
The audit also involved consultation with other stakeholders, including:
 - Bureau of Health Information
 - Agency for Clinical Innovation
 - Clinical Excellence Commission
2. Examining key documents, including:
 - Papers from Ministry of Health planned surgery access committees
 - Planned surgery access policy and related documents
 - Performance management documents
3. Analysing planned surgery waitlist data.

The audit also examined:

- documentation from other stakeholders obtained throughout the audit, such as research and studies, statistical data and analysis
- information from other jurisdictions for comparison.

The audit approach was complemented by quality assurance processes within the Audit Office of New South Wales 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 staff at the Ministry of Health and the reviewed local health districts.

Audit cost

The estimated cost of the audit, including staff costs and overheads, is approximately \$520,000.