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# Appendix three – About the audit

## Audit objective

This audit assessed how effectively TfNSW manages the **DRiver VEhicle System (DRIVES)**.

## Audit criteria

**We addressed the audit objective with the following audit criteria:**

1. TfNSW is effectively managing the current system
  - a) TfNSW's operation of DRIVES meets its legislative requirements, including the privacy of information and cyber security
  - b) TfNSW has clearly articulated whole-of-government governance arrangements for DRIVES, including the assignment accountabilities
  - c) TfNSW is appropriately managing risks to operating the current system, including threats to the privacy of information and cyber security
  - d) TfNSW has clearly defined operational targets for DRIVES (including for maintenance), and it monitors and reports progress against these targets to key stakeholders.
  - e) Unplanned outages and any other operational incidents are managed within agreed specifications.
2. TfNSW is effectively planning to transition DRIVES to a modernised system
  - a) TfNSW has clearly articulated its business strategy ('future state') to underpin planning work
  - b) TfNSW has clearly stated roles, responsibilities, and governance arrangements for the modernisation project
  - c) TfNSW has an appropriate planning framework in place, to manage any system transition risks and ensure on-going protection of personal information and cyber security against the standards set by government
  - d) TfNSW communicates effectively with key stakeholders and decision-makers, including the Department of Customer Service and NSW Treasury, on project progress (timeliness, cost and budget) and management of key risks

## Audit scope and focus

The audit examined the current management of DRIVES, as well as the planned transition to a modernised system. The audit focused on the following aspects:

- policy and legislative requirements
- governance and accountabilities (including risk assessment and mitigation)
- protection of personal information and cyber security
- resources (workforce, cost and funding)

The audit covered the period from 2018 to 30 June 2023.

## Audit exclusions

The audit did not seek to:

- examine IT solutions to replace DRIVES
- assess TfNSW's management of other related IT systems
- comment on the merits of government policies.

However, we may comment on these issues where they affect our findings or to provide context.

If warranted, we may change the audit objective, scope or criteria during the course of the audit. If we feel this is necessary, we shall discuss any changes to the plan and the reasons for them with the entity before finalising

## Audit approach

The audit team conducted the audit in accordance with ASAE 3500 'Performance Engagements' and ASAE 3000 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'. The standards require the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about an activity's performance against identified criteria and express a reasonable assurance conclusion against the audit objective.

Our procedures included:

1. Interviewing:
  - a) relevant staff at TfNSW involved in the management and modernisation of DRIVES
  - b) relevant staff in the Department of Customer Service about the Digital Restart Fund, cyber security, and legacy systems
  - c) relevant staff in Treasury about the funding of the RegStar program and other issues related to DRIVES
  - d) interviewing relevant staff in agencies that use DRIVES to understand:
    - i) accountabilities for the information stored on DRIVES
    - ii) the impact of the operation and modernisation of DRIVES on their service delivery
    - iii) the management of risks associated with the access to DRIVES
    - iv) stakeholders to understand their perspective on the current operation of DRIVES, including issues and shortcomings, and the plans for the updating/replacement of the system
2. examining relevant documents, such as policies and procedures, to assess whether processes required under relevant legislation and government policies were followed
3. analysing data on DRIVES' operation and modernisation.

We also examined:

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

## 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 Transport for NSW. We would particularly like to thank our liaison officers and staff who participated in interviews and provided evidence for the audit.

We also wish to thank other stakeholders, such as the NSW Police Force and the Department of Customer Service, that spoke to us and provided material during the audit.

## **Audit cost**

The estimated cost of this audit including disbursements is \$427,260.