
Appendix two – About the audit

Audit objective

This audit assessed the integrity of the design and administration of the WestInvest program.

Audit criteria

We addressed the audit objective by examining:

1. the design of the WestInvest program
2. the award of funding through the WestInvest program.

Audit scope

In assessing the criteria, we examined:

1. the design of the WestInvest program, including its purpose, objectives, and structure
2. assessment processes and funding advice for the 'community project grants – competitive round' and the 'community project grants – local government allocation' rounds
3. funding advice for the 'NSW government projects' round.

Audit exclusions

The audit did not examine:

- the development or administration of project funding deeds
- the project management or delivery of funded projects.

The audit did not question the merits of policy objectives of the NSW Government, as defined in the *Government Sector Audit Act*.

Audit approach

Our procedures included:

1. interviewing staff from the Premier's Department involved in the design and administration of the 'community project grants – competitive round' and 'community project grants – local government allocation' rounds of the program
2. interviewing representatives from assessment panels and the 'program alignment panel'
3. interviewing staff from Treasury involved in the design and administration of the NSW government projects round of the program
4. Examining documents including:
 - a) program guidelines
 - b) probity plans, probity advice and probity reports
 - c) briefings to Ministers and department executives on the design of the program (including Cabinet submissions and supporting documents)
 - d) agendas and minutes from meetings between Ministers/Premier and heads of the Premier's Department (or former DPC), Treasury, and Infrastructure NSW on the topic of WestInvest
 - e) electronic communication relating to the origin and design of the WestInvest program (where information is not documented in formal briefings, etc.)
 - f) materials used for consultation with potential applicants.
5. Analysing data from the grant application, assessment and approval processes, including documentation of:

- a) processes used for assessing eligibility
 - b) assessment panel processes
 - c) 'program alignment panel' and steering committee processes
 - d) Ministerial/Cabinet approval processes.
6. Where relevant, also examining:
- a) documentation from other stakeholders obtained throughout the audit such as research and studies, statistical data and analysis
 - b) information from other jurisdictions for comparison.

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 staff of the Premier's Department, NSW Treasury and the staff from the 15 Councils we spoke with as part of the audit.

Audit cost

The estimated cost of this audit, including staff costs and overheads, is \$270,000.