

INSIGHTS FOR BETTER GOVERNMENT

24 AUGUST 2022

# Annual Work Program 2022–25





## RECONCILIATION COMMITMENT STATEMENT

The Audit Office of New South Wales pay our respect and recognise Aboriginal people as the traditional custodians of the land in NSW.

We recognise that Aboriginal people, as custodians, have a spiritual, social and cultural connection with their lands and waters, and have made and continue to make a rich, unique and lasting contribution to the State. We are committed to continue learning about Aboriginal and Torres Strait Islander peoples' history and culture.

We honour and thank the traditional owners of the land on which our office is located, the Gadigal people of the Eora nation, and the traditional owners of the lands on which our staff live and work. We pay our respects to their Elders past and present, and to the next generation of leaders.

# Auditor-General's introduction

I am pleased to present the NSW Audit Office's Annual Work Program: 2022–25. This program acknowledges that public confidence in the workings of government has been shaken in recent times, and that governments continue to be challenged to respond to emergency events. In this context, my Office plays an important role in providing transparency and assurance over the activities and financial reporting of the state government, local councils and the ten publicly funded universities in New South Wales.

A central focus for this program is our attention to the integrity of systems and processes. Extending from our recent [Audit Insights 2018–2022 report](#), priority will be given to assessing the quality and impartiality of advice to government related to options, risks and impacts. Our audits will also provide assurance over governance arrangements, including the documentation and reporting of directions and decisions. We maintain a focus on cyber security as a ubiquitous and ongoing risk to the State.

The program seeks to achieve broad coverage of activities across the sectors we audit and consider areas of greatest risk, such as the scale of spending, the urgency of response or the impact of government actions and programs on New South Wales communities. We also seek to reinforce the issues identified in previous audits and where possible, respond to matters of interest to members of Parliament.

This program of work aims to support the Parliament of New South Wales to hold government to account for its use of public resources and provide insights that inform and challenge the agencies we audit to act with integrity and improve outcomes for citizens. We would welcome any feedback or comments or any suggestions for further improvement.

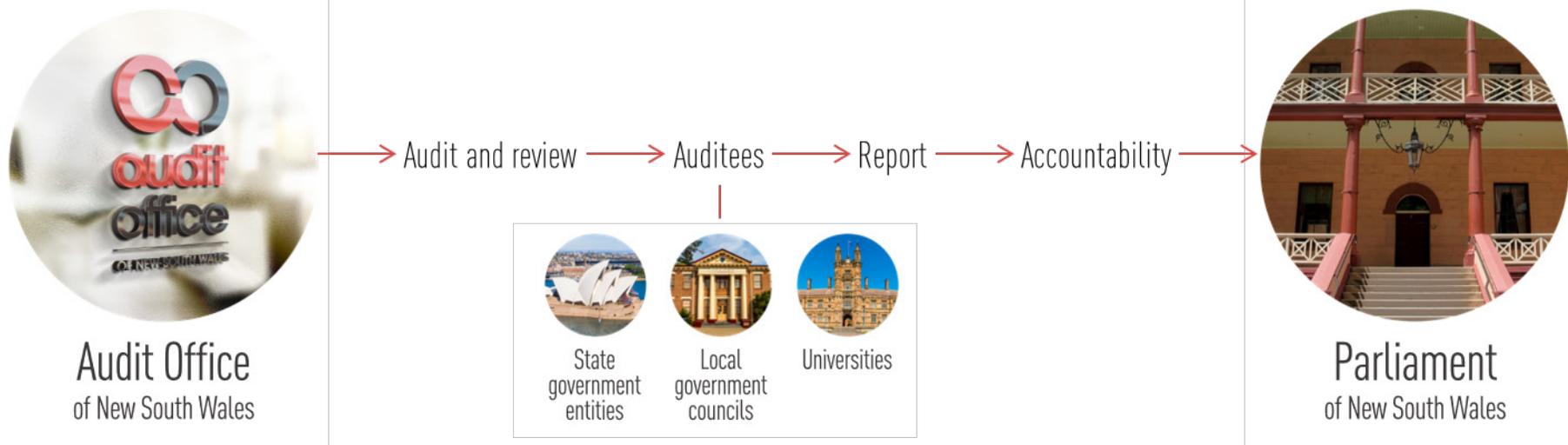
Margaret Crawford  
Auditor-General for New South Wales



## WHAT WE DO

The Auditor-General reports to the New South Wales Parliament and is responsible for audits and related services. These audits aim to help Parliament hold government accountable for its use of public resources.

The Audit Office conducts financial and performance audits, principally under the *Government Sector Audit Act 1983* (GSA Act) and the *Local Government Act 1993* (LG Act) and examines allegations of serious and substantial waste of public money under the *Public Interest Disclosures Act 1994*. The Auditor-General can also be requested by the Treasurer, a minister or both Houses of Parliament to perform audit or audit-related services. These can include audits of agencies' compliance with specific legislation, directions and regulations.



## FINANCIAL AUDITS

Our financial audits provide an objective and independent opinion on the financial statements of the NSW Government consolidated Whole-of-Government (Total State Sector Accounts), NSW government agencies, NSW universities and their controlled entities, and local councils in New South Wales.

Financial audits are a key part of effective public sector governance and assess the adequacy of the financial reporting control frameworks of audited entities. The GSA Act also provides the mandate to report any waste and/or lack of probity or financial prudence in the management of public resources that we may identify during our audits.

Each year, our financial audits also examine a small number of specific focus areas across the entities we audit. We look across the sectors we audit to identify common themes, issues or areas for improvement.

As well as our statutory financial audits, we perform other assurance audits and reviews, including providing assurance over Commonwealth grants and payments to the NSW Government and local councils under Commonwealth legislation.

For NSW government agencies, the results of each financial audit are reported to the head of the agency concerned, the responsible minister, the Treasurer, and the New South Wales Parliament.

For NSW local councils, the results of each financial audit are reported to the local council concerned, the responsible minister, the Secretary of the Department of Planning and Environment, and the New South Wales Parliament.

For NSW universities and related entities, the results of each financial audit are reported to the head of the agency concerned, the responsible minister, the Treasurer, and the New South Wales Parliament.

Cluster and sector-wide reports are also provided to New South Wales Parliament.



## PERFORMANCE AUDITS

Our performance audits assess whether the activities of government entities are being carried out effectively, economically, efficiently and in compliance with relevant laws. Our mandate to conduct these audits is provided under the GSA Act and the LG Act. The Auditor-General can also be requested by the Treasurer, a minister or both Houses of Parliament to perform an audit or audit-related services.

Under the *Government Advertising Act 2011*, we are also required to conduct a performance audit of at least one government advertising campaign each year.

The activities examined by a performance audit may include a government program, project or service, and can include all or part of an audited entity, or more than one entity. Performance audits can also consider issues that affect the whole state sector or local government sector.

For NSW government agencies, the results of each performance audit are reported to the head of the agency concerned, the responsible minister, the Treasurer, and New South Wales Parliament.

For local councils, the results of each performance audit are reported to the local council concerned, the responsible minister, the Secretary of the Department of Planning and Environment, and New South Wales Parliament.

Audited entities have the opportunity to provide a formal response to each performance audit. This is included in the Auditor-General's Report to Parliament.



## OTHER ASSURANCE REVIEWS

Each year we may select a topic for a compliance audit, which examines agency compliance with a specific area of legislation or policy.

We also review whether members of the New South Wales Parliament complied with certain requirements outlined in the Parliamentary Remuneration Tribunal's Determination.



# How do we select our audit topics and focus areas?

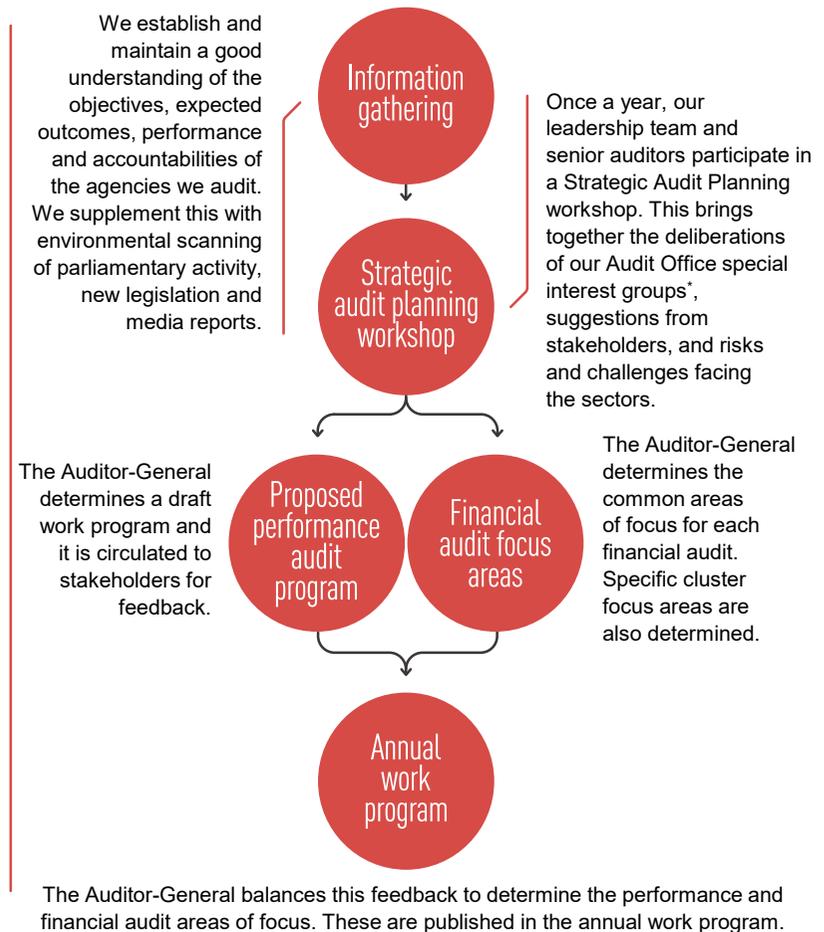
The Audit Office publishes this audit work program annually. It reflects our annual focus areas for financial audits, and planned performance audit topics. The performance audit topics are published as a three-year rolling program. We aim to inform the New South Wales Parliament, the public sector and the community about our priorities and expected timeframes for the delivery of our work, to give our stakeholders the best opportunity to prepare for and engage with our audits.

The annual review of audit priorities is an important way we ensure our responsiveness to broader challenges and risks across the public sector, while carefully managing our finite resources in delivering our mandate. The government provides around 7 cents for performance audits in every \$1,000 spent in the general government sector, so it is important we ensure we are targeting our program to areas where we can have the greatest impact.

The Annual Work Program includes topics that have regard to NSW government policy objectives and its reform agenda – to assess progress and impacts. It also reflects consideration of issues raised by the New South Wales Parliament's Public Accounts Committee, other Parliamentary Committees, individual Members of Parliament, local councils and members of the public.

In focusing our program to specific areas we have regard to key risks, significance, coverage of public sector entities, and interest or suggestions from the Parliament and community. We also have regard to how we will approach specific audits and navigate complexity. For this program, we plan to have an increased focus on the use of data analytics in our performance and financial audits, as well as on specific subject focus areas – including responses to emergencies, the integrity of systems and cyber security.

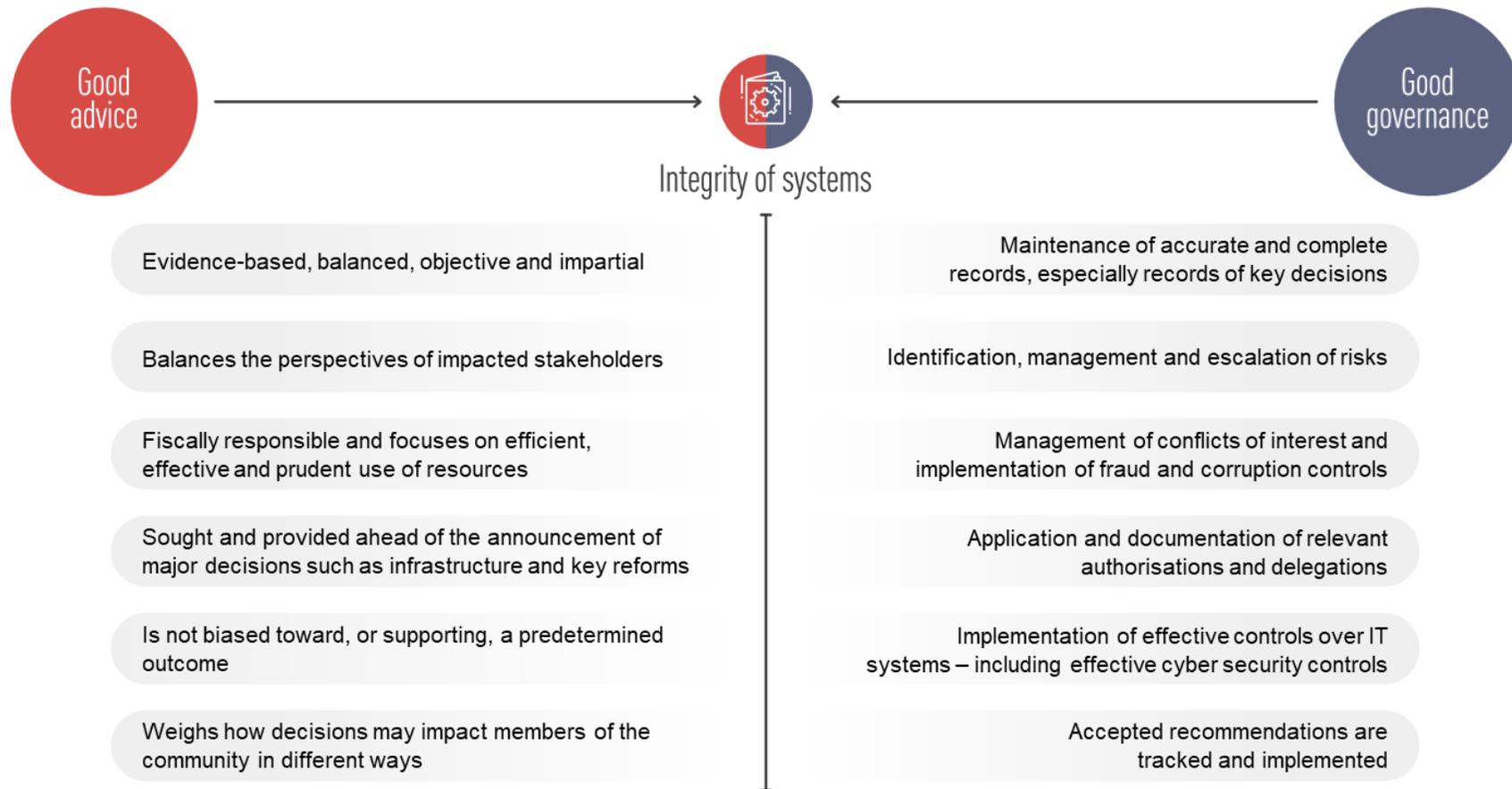
The diagram on this page provides an overview of our Annual Work Program development processes.



\* Special interest groups are groups of financial and performance auditors that meet to discuss key issues, risks and policy changes in specific NSW government sectors and local councils.

# Our focus on integrity

The Audit Office of New South Wales has a fundamental role in helping the Parliament hold government accountable for the use of public resources. In doing so, we examine whether government systems and processes are effective in supporting integrity, accountability and transparency. We set out below the aspects of integrity that we expect to see in these systems and processes—such as in grant program administration, major project delivery and application of controls and governance. We will assess these elements in the conduct of our financial and performance audits over the next three years. These focus areas arise from the collation of key findings and recommendations from our past reports, which we set out in further detail in our report on [Audit Insights 2018–2022](#).

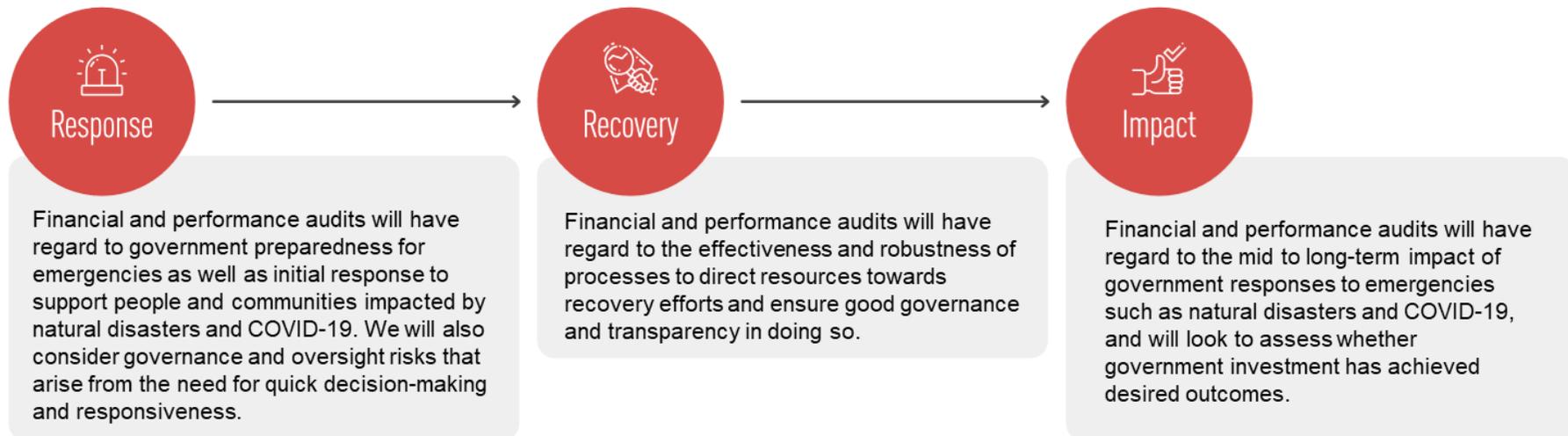


# Our focus on continued responses to emergencies in New South Wales

The COVID-19 pandemic will have a lasting impact on the people and the public sector of New South Wales. In addition, governments are continuing to assist communities in their recovery from recent weather emergencies, including significant flooding in northern New South Wales. The scale of government responses to these events has been significant and has required a wide-ranging response involving emergency response coordination, service delivery, governance and policy. Substantial resources also continue to be directed toward these responses, and in assisting rebuilding and economic recovery. Some systems and processes have changed to reflect the need for quick responses to immediate needs. Increasing risk and complexity arising from emergencies highlights the fundamental importance of good stewardship of the public sector.

The continuing and changing risk environment presented by emergency events – now and into the future – has meant that we will maintain our focus on providing assurance on how effectively aspects of government responses have been delivered. This includes financial and governance risks arising from the scale and complexity of government responses.

We will take a phased approach to ensuring that our work addresses the following elements of the emergencies and government responses:



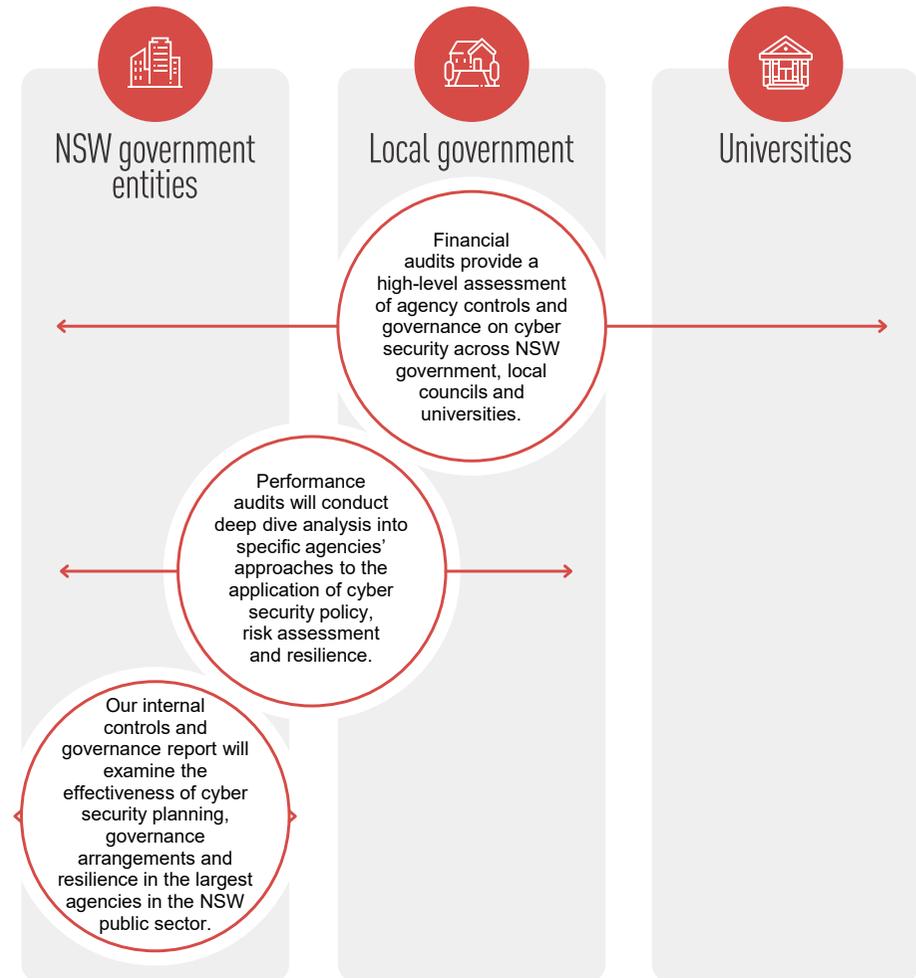
# Our focus on cyber security

Cyber security and resilience continues to be an area of focus for the work of the Audit Office. The increasing global interconnectivity between computer networks has dramatically increased the risk of cyber security incidents. Such incidents can harm government service delivery and may include the theft of information, breaches of private information, denial of access to critical technology, or even the hijacking of systems for profit or malicious intent. These outcomes can harm trust in government.

More broadly, outdated and 'legacy' IT systems and capability present risks to government. Agencies need to be alert to the need to update and replace legacy systems, and regularly train and upskill staff in their use and to be cyber risk-aware. To add to this, cyber security risks have been exacerbated by recent emergencies, which have resulted in greater and more diverse use of digital technology.

The Audit Office's approach to auditing cyber security across state entities, local councils and universities involves:

- considering how agencies are responding to the risks associated with cyber security in our financial audits across the NSW public sector
- examining the effectiveness of cyber security planning and governance arrangements for large New South Wales state government agencies for our Internal Controls and Governance report
- conducting deep dive performance audits of the effectiveness of specific agency activities in preparing for, responding to, and recovering from cyber security risks.



## FINANCIAL AUDIT

We will carry out around 500 statutory financial audits of NSW government agencies, universities and local councils' financial statements, issuing over 1,200 assurance opinions. We will comment on the results of these audits and our examination of cluster specific and across-the-board focus areas in the Auditor-General's Reports to Parliament, detailed below.

### Financial Audit Auditor-General's Reports to Parliament

#### Report on State Finances

This report will focus on the State's 2021–22 consolidated financial statements. It will comment on the key matters that have been the focus of our audit and highlight significant factors that have contributed to the State's financial results.

#### Internal Controls and Governance

This report will bring together the findings and recommendations from our 2021–22 financial audits that relate to the internal controls and governance of the largest NSW government agencies. In 2021–22, this report will cover:

- internal control trends
- information technology controls
- cyber security planning and governance arrangements
- engagement and management of consultants and external experts.

#### Local government

This report will bring together findings and recommendations from our 2021–22 financial audits of local councils. It will comment on financial reporting and performance, internal controls and governance, and areas of interest that are in focus during the conduct of our audits.

#### Universities

This report will analyse the results of the financial statement audits of the ten NSW universities and their controlled entities for the year ended 31 December 2022. It will comment on financial reporting and performance, internal controls and governance, and areas of interest that are in focus during the conduct of our audits.

## Financial Audit Auditor-General's Reports to Parliament

### State sector cluster reports

Our cluster-based reports will analyse the results of the 2021–22 financial statement audits of NSW government agencies. They will comment on the quality and timeliness of financial statements, key accounting issues, and high-risk observations from our audits.

In 2021–22, our cluster reports will cover:

- Customer Service
- Education
- Enterprise, Investment and Trade
- Health
- Premier and Cabinet (DPC)
- Planning and Environment (DPE)
- Regional NSW
- Stronger Communities
- Transport
- Treasury.

### Members Entitlements

This report will analyse whether members of New South Wales Parliament complied with certain requirements outlined in the Parliamentary Remuneration Tribunal's Determination.

### Financial implications of natural disasters

Key service delivery agencies have responded to natural disasters during 2021–22, including the severe weather conditions in Northern NSW. This report will consider the financial implications of these events.

## PERFORMANCE AUDIT

We plan to commence the following performance audits in 2022–23. Our detailed three-year forward plan follows.

### Whole-of-government/multi-agency

- Cluster governance

### Premier and Cabinet

- Progress on the new National Agreement on Closing the Gap

### Treasury

- iCare

### Customer Service

- Effectiveness of the Land Titles Registry
- Government advertising: 2021–22
- Digital Restart Fund

### Transport

- Regional Road Safety
- Procurement of mega transport projects

### Education

- Supporting students in rural and remote areas
- Student behaviour management

### Health

- Managing elective surgery
- Ambulance demand management

### Stronger Communities

- Child protection
- Safeguarding the rights of Aboriginal children and young people in the child protection system
- Social and public housing

### Planning and Environment

- Managing heritage assets
- Native forestry regulation (also in Regional NSW)
- Coastal management (with selected local councils)

### Regional NSW

- Native forestry regulation (also in Planning and Environment)
- Flood recovery

### Enterprise, Investment and Trade

- Jobs for NSW

### Local government

- Cyber security in local government
- Financial management and governance in local councils
- Coastal management (also in Planning and Environment)

The following audits are also included in our program of work for 2022–23, and are already underway:

- Government's use of consultants (Whole-of-government/multi-agency)
- Government's acquisition of private property (Transport)
- COVID-19 vaccination rollout (Health).

Our planned program for 2022–23 may be subject to change in response to emerging issues such as governance risks in grants program administration or heightened cyber security vulnerabilities. More information on the progress of specific audits, including progress on audits continuing from last year, can be found on our website at [www.audit.nsw.gov.au](http://www.audit.nsw.gov.au).

# Three-year performance audit program by cluster

## Whole-of-government/multi-agency – Performance audit

In addition to our planned cluster-specific performance audits, we plan to conduct the following multi-agency performance audits. The specific agencies selected for inclusion in these audits will be identified during the preliminary scoping phase.



### PLANNED AUDITS TO 2022–23

Topic focus area	Brief overview
Government's use of consultants	<p>Using consultants can provide access to skills that are not necessary, sensible or economic for an agency to build or maintain itself on an ongoing basis. However, there are risks associated with the use of consultants, such as over-reliance, forum-shopping, unjustified spends, or the loss of core public sector capability. Some of these risks were raised in our <a href="#">State Finances 2021 report</a>. The NSW Government made a commitment in 2019 to reduce spending on consultants across the general governments sector. This audit will assess how effectively NSW government agencies procure and manage consultants.</p>
Cluster governance	<p>NSW government entities are consolidated into ten 'clusters' reflecting ten broad policy areas of government. The NSW Public Sector Governance Framework (February 2013) articulated the anticipated benefits from the cluster model, including:</p> <ul style="list-style-type: none"><li>• better alignment of entities to deliver key policy, business and service delivery priorities and consistent accountability and reporting relationships for entities across clusters</li><li>• improved administrative and financial flexibility, agility and responsiveness of entities</li><li>• improved transparency, integrity and accountability of the NSW public sector.</li></ul> <p>This audit will examine whether the cluster model is fit for purpose to effectively and efficiently achieve the outcomes intended by government.</p>

# Whole-of-government/multi-agency – Performance audit (continued)

## PLANNED AUDITS TO 2023–24 TO 2024–25

Topic focus area	Brief overview
Unsolicited proposals (Enterprise, Investment and Trade, and other agencies)	<p>An 'Unsolicited Proposal' is an approach to government from a proponent with a proposal to deal directly with the government over a commercial proposition, where the government has not requested the proposal. The NSW Government updated its guidelines for the submission and assessment of unsolicited proposals in August 2017. The updated guidelines incorporated the recommendations from two performance audits conducted by the Audit Office of New South Wales (<a href="#">Managing Unsolicited Proposals in NSW</a>, 2016 and <a href="#">NorthConnex</a>, 2017) and the most recent periodic review in 2016, providing greater clarity and public reporting. The guidelines were further updated in 2022 to reflect machinery of government changes.</p> <p>This audit will assess the integrity and probity of the unsolicited proposals process.</p>
Cyber security (Customer Service and relevant agency)	<p>The NSW Cyber Security Policy established that agency heads, including Departmental Secretaries, have a range of specific accountabilities in regard to cyber security, including to determine their agency's risk appetite, and to ensure their agency develops, implements and maintains an effective cyber security plan and/or information security plan. Secretaries are further accountable for ensuring all agencies in their cluster implement and maintain an effective cyber security program. This audit will examine specific cyber security controls in a selected NSW Government agency.</p>
Grants program administration	<p>Our February 2022 performance audit on the <a href="#">integrity of grants program administration</a> highlighted significant gaps in process and transparency in two key NSW Government grants programs. Using a selection of grants programs, we will assess progress in improving the governance of grants program administration, including whether the process:</p> <ul style="list-style-type: none"><li>• is based on ethical principles such as impartiality, equity and transparency</li><li>• ensures assessments and decisions can be made against clear eligibility criteria</li><li>• ensures accountability for decisions and actions of all those who are involved in the program</li><li>• includes minimum mandatory administration and documentation standards</li><li>• requires any ministerial override of recommendations to be documented.</li></ul>

The Premier and Cabinet cluster aims to support the Premier and the Cabinet to deliver the NSW Government's objectives. The cluster coordinates policy implementation and reform across government, manages the passage of significant legislation, supports the delivery of major projects and events, and leads intergovernmental relations. The cluster includes Aboriginal Affairs functions.



## PLANNED AUDITS TO 2022–23

### Topic focus area

### Brief overview

Progress on the new National Agreement on Closing the Gap

The NSW Premier signed the new National Agreement on Closing the Gap on behalf of New South Wales in July 2020. The objective of the Agreement is to overcome the entrenched inequality faced by Aboriginal and Torres Strait Islander peoples so that their life outcomes are equal to those of all Australians. The NSW Government and NSW Coalition of Aboriginal Peak Organisations developed an implementation plan for 2021–22 which sets out five 'priority reform areas' and outlines the approach to achieving improvements in each of these. Aboriginal Affairs NSW, a unit within DPC, is leading this work. This audit will focus on Aboriginal Affairs NSW's approach to, and progress in implementing, the National Agreement on Closing the Gap. This may include its approach to partnerships and communication, governance and accountability for outcomes.

## PLANNED AUDITS TO 2023–24 TO 2024–25

### Topic focus area

### Brief overview

WestInvest (with Regional NSW and Department of Enterprise, Investment and Trade)

The WestInvest Fund is a \$5 billion fund, announced in September 2021 as part of the NSW Government's economic recovery measures. The government initially announced that the fund was generated as a result of the sale of the government's remaining stake in WestConnex. On 3 November a further announcement indicated that \$800 million of the proceeds of WestConnex will be used in WestInvest with the remainder of the proceeds of WestConnex to be used to clear debt. This audit will consider the integrity of the assessment and approval processes for project funding decisions.

The Treasury cluster is the NSW Government's principal financial and economic adviser. Its role is to drive economic strategy and oversee governance of the State's finances. The cluster comprises several entities, including Treasury Corporation (TCorp), iCare (Insurance and Care NSW), SAS Trustee Corporation, Ports of Newcastle, Port Botany and Port Kembla Lessor Companies, and Restart NSW Fund, that reports large expenditures in relation to whole-of-state assets and liabilities.



## PLANNED AUDITS TO 2022-23

Topic focus area	Brief overview
iCare	iCare provides workers' compensation insurance to more than 329,000 public and private sector employers in New South Wales and their 3.2 million employees. It also insures builders and homeowners, provides treatment and care to people severely injured on NSW roads, and protects more than \$266.6 billion of NSW government assets, including the Sydney Opera House, the Sydney Harbour Bridge, schools and hospitals. This audit will examine how effectively key risks are managed by iCare, such as the rising cost of claims, complaints management and payments processes.

## PLANNED AUDITS TO 2023–24 TO 2024–25

Topic focus area	Brief overview
Outcome budgeting	Outcome budgeting was announced in the 2017–18 Budget as a reform that aimed to deliver better outcomes for the people of New South Wales through increased transparency, accountability and value for money. The reform has been rolled out over several years, with an initial focus on creating a framework, developing performance measures, and piloting the reforms with selected agencies. NSW Treasury is working with agencies to implement the initiative. This audit will examine how effectively NSW Treasury has overseen the implementation of outcome budgeting to ensure that the reform's policy goals are achieved.
Electricity Infrastructure Roadmap	The Electricity Infrastructure Roadmap, released in November 2020, is the NSW Government's 20-year plan to transform the State's electricity system into one that is cheap, clean and reliable. This audit will examine whether components of the Roadmap are being delivered as planned and whether key risks are being appropriately managed. This audit may also examine whether asset owners and operators have effective risk and resilience plans in place to safeguard designated critical electricity infrastructure assets.

The Department of Customer Service cluster is a service provider, regulator, and central agency of government. It brings together a range of transactional services, including digital, data and design, and regulatory and compliance activities covering citizens and businesses across New South Wales. The role includes cyber security policy, and the use of data and behavioural insights.



## PLANNED AUDITS TO 2022–23

Topic focus area	Brief overview
Effectiveness of the Land Titles Register	Australian Registry Investments (trading as NSW Land Registry Services) was granted the right to operate the titling and registry operations of New South Wales in April 2017, under a 35-year concession which commenced on 1 July 2017. The NSW Government continues to guarantee the title under the Torrens Assurance Fund. The Office of the Registrar General regulates NSW Land Registry Services (NSW LRS) as the operator of the NSW land titles registry under a regulator operator model. This audit will examine how effectively the Registrar General monitors NSW LRS's operation of the land titles registry in respect of defined service levels, key performance indicators, and integrity and security of the data in the register.
Government advertising	Under the <i>NSW Government Advertising Act 2011</i> , the Auditor-General is required to undertake a performance audit on government advertising activities undertaken by agencies in each financial year. This audit will examine selected government advertising campaigns approved and/or conducted in 2021–22.
Digital Restart Fund	The Digital Restart Fund was established in 2019 to accelerate whole-of-government digital transformation and enable iterative, multidisciplinary approaches to digital or information and communications technology (ICT) planning, and development and service provision. In 2020, there was \$1.6 billion available in the fund. This audit will assess the governance and administration arrangements for the fund and whether it will achieve its objectives.

# Customer Service (continued)

## PLANNED AUDITS TO 2023–24 TO 2024–25

Topic focus area	Brief overview
Revenue NSW Hardship Policy	The intention of the Hardship Policy is to assist people that have a debt with Revenue NSW and are experiencing economic hardship, including those affected by natural disasters and COVID-19. The policy also applies to people experiencing homelessness, or who are considered vulnerable due to mental illness, intellectual disability or cognitive impairment, domestic violence, or substance misuse. This audit will consider the effectiveness of the policy in meeting its objectives.
GovConnect NSW	In 2020–21, Infosys, Unisys and the Department of Customer Service were co-providers of business processes and information technology services that constitute the GovConnect NSW environment. The role of the department has now transitioned to provision of GovConnect IT services. This audit could examine how effectively government agencies managed the outsourced service contracts and whether the arrangements resulted in greater employee productivity and better value for New South Wales taxpayers.
Building regulation – preventing building defects	In response to high-profile examples of building defects, the NSW Government responded to heightened community concerns through a range of building regulation reforms. This audit will examine how effectively government agencies, including the Office of the Building Commissioner, have implemented these reforms to meet the intent of the legislation, and in a manner consistent with good regulatory practice.
Cyber security (Customer Service and relevant agency)	The NSW Cyber Security Policy established that agency heads, including Departmental Secretaries, have a range of specific accountabilities in regard to cyber security, including to determine their agency's risk appetite, and to ensure their agency develops, implements and maintains an effective cyber security plan and/or information security plan. Secretaries are further accountable for ensuring all agencies in their cluster implement and maintain an effective cyber security program. This audit will examine specific cyber security controls in a selected NSW Government agency.
Government advertising (Customer Service and relevant agencies)	Under the <i>NSW Government Advertising Act 2011</i> , the Auditor-General is required to undertake a performance audit on government advertising activities undertaken by agencies in each financial year. Each year, this audit will examine selected government advertising campaigns approved and/or conducted in 2022–23 and 2023–24.

The Transport cluster plans and delivers infrastructure and integrated services across all modes of transport, including road, rail, bus, ferry, light rail and cycling. The cluster aims to contribute to economic growth in New South Wales by delivering integrated services, managing assets, and improving the transport system to enable the safe, efficient and reliable movement of people and goods. The cluster includes Placemaking NSW (part of the Cities and Active Transport division in Transport for NSW) which focuses on the development and the care, control and management of harbourside precincts in Sydney including Barangaroo and Darling Harbour.



## PLANNED AUDITS TO 2022-23

Topic focus area	Brief overview
<b>Government's acquisition of private property</b>	<p>The NSW Government owns and manages a significant amount of land and is acquiring more to support its infrastructure objectives. It also regularly disposes of property assets that are no longer required or suitable for their original purpose. The outcomes of these property transaction processes can have significant impacts on the community.</p> <p>This audit is the first in a series of performance audits that will assess the integrity of processes and outcomes for land and property transactions. It will assess the effectiveness of Sydney Metro's approach to the acquisition of land and private property.</p>
<b>Regional road safety</b>	<p>In 2021, the NSW Government set a state priority target to reduce road fatalities by 30% by 2021 (from 2008 to 2010 levels) and launched a new road safety plan 'Toward Zero'. The plan features targeted initiatives intended to meet road safety goals by addressing key trends, trauma risks and the types of crashes occurring on New South Wales roads. This audit will examine progress to date with a particular focus on regional road safety and review the effectiveness of the design and implementation of select initiatives. The audit will consider how data analytics is used to inform decision-making to achieve improved safety outcomes.</p>
<b>Procurement of mega transport projects</b>	<p>This audit will examine the effectiveness and integrity of the government's identification, allocation and management of risk, with a particular focus on the project initiation, planning and development, procurement and delivery stages. Advice to government and probity will be key considerations.</p>

## PLANNED AUDITS TO 2023–24 TO 2024–25

Topic focus area	Brief overview
Natural disaster preparedness and response	Key service delivery agencies, including those in the Transport cluster, have funding allocated to respond to natural disasters. This can include events such as bushfires and severe weather conditions (such as flooding or storms) that impact directly on transport infrastructure as well as affecting local communities and the economy. This audit may consider how effectively TfNSW applies this funding to prepare for, respond to, and recover from natural disaster events.
DRIVES system	The Driver and Vehicle IT System (DRIVES) is the central system for motor vehicle registration and driver licensing in NSW, including collecting associated revenue and recording driving infringements. DRIVES has increasing data processing needs and has a widespread impact on various agencies. This audit will examine how DRIVES data is managed and used, including the management and security of sensitive information.
Privatisation of transport services	In New South Wales, Transport for NSW contracts private companies to operate some public transport services. This performance audit may consider Transport for NSW's approach to the privatisation of bus services. It may assess whether the goals of privatisation were well-defined and whether benefits were realised.

The Education cluster delivers and regulates education and training services for New South Wales students, workers and industry. This includes the early childhood education and care sector, government and non-government schools, and the vocational education and training sector.



## PLANNED AUDITS TO 2022–23

Topic focus area	Brief overview
Supporting students in rural and remote areas	There are over 1,000 schools in rural and remote areas of New South Wales. Students in these schools have lower attendance rates, lower educational results and are less likely to successfully complete Year 12 compared to students in metropolitan schools. The Department's Rural and Remote Education Strategy 2021–24 aims to improve student learning and wellbeing outcomes in rural and remote schools. This audit could assess the effectiveness of the department's initiatives to reduce the gap in educational outcomes.
Student behaviour management	Behaviour support is critical to promoting engaging and effective classrooms and lifting student performance. The department is implementing a new behaviour management strategy and policy in 2022. The new policy settings aim to strengthen the engagement and participation of all students, including those with disability, complex and challenging behaviours, and additional needs. An audit in this area could consider implementation of this strategy and policy once they have formally commenced.

## PLANNED AUDITS TO 2023–24 TO 2024–25

Topic focus area	Brief overview
School asset maintenance	Schools need well-maintained classrooms and physical activity areas to support student safety and learning. The Department updated its school asset management policy in 2021, which considers age and maintenance requirements of existing schools to optimise service delivery. \$480 million was allocated to school maintenance in 2022–23. This audit could look at how effectively the Department plans and manages the maintenance of school buildings and facilities.
Supporting students with a disability	Around one in five New South Wales public school students have a disability (172,000 students). Eighty-five per cent of students with disability learn in mainstream classes in mainstream schools. The Department of Education's Disability Strategy (2019) committed to build a more inclusive education system and identified actions across four key areas to do this. An audit in this area could examine how well the department has implemented the 2019 Disability Strategy and whether it is leading to improved outcomes for students with disability.
Planning for curriculum change	In June 2020, the NSW Government set an ambitious timeline to introduce a new curriculum for Kindergarten – Year 2 students by 2022 and across all years by 2024. This audit may examine how the NSW Education Standards Authority and the Department of Education are coordinating planning to successfully implement changes to the school curriculum. This audit could have greater impact and scope for recommendations if conducted in 2023 as the first stages of the new curriculum are implemented in schools.
Early childhood education	Children who participate in a quality early childhood education program are more likely to arrive at school with the social, cognitive and emotional skills they need to engage in learning. In December 2021, the NSW Government committed to increase funding for long day care and to deliver targeted programs for disadvantaged children. This audit could examine how well the Department of Education has increased access to affordable early childhood education services, while maintaining appropriate regulatory oversight of safety and quality.
Teacher and principal wellbeing	According to the 2021 People Matter Employee Survey, only 35% of teachers agreed they have the time to do their job well and 47% of teachers agreed they were able to keep their work stress at an acceptable level. The audit may look at issues such as workloads, bullying, support to respond to challenging student behaviour, workplace compensation claims, absenteeism, and management of complaints.
Literacy and numeracy in NSW schools	Literacy and numeracy form the foundations students need for learning across the curriculum and the development of skills for everyday life. The Department of Education has set five priorities for improving literacy and numeracy. In 2022, it introduced new specialist roles in primary and secondary schools to provide additional support in literacy and numeracy. An audit in this area could consider whether the five priorities and new specialist roles are successfully improving education outcomes in the targeted areas.

## PLANNED AUDITS TO 2023–24 TO 2024–25

Topic focus area	Brief overview
Vocational education and training in schools	Vocational Education and Training (VET) courses can help students prepare for further education, training or employment. Students in New South Wales can study VET courses at school, through TAFE NSW or other providers. In 2021, a major review reported concerns about the quality and value of current offerings. This audit could examine whether the Department of Education is sufficiently addressing the findings of the review.
Supporting successful transitions between school and work	After leaving school, young people are more than twice as likely to be unemployed than the working age population. In 2021, a major review concluded that career advice, guidance and support is inadequate. In response, the NSW Government established Careers NSW. This audit could examine how effectively Careers NSW is improving the quality of careers advice for secondary students.

The Health cluster works to protect, maintain and improve the health and wellbeing of residents in New South Wales. It is also currently overseeing a significant investment in new capital works and renewal. The Health cluster takes in the Ministry of Health, as well as Local Health Districts and Speciality Networks, the 'Pillar' agencies, statewide health services – such as Ambulance – and shared services.



## PLANNED AUDITS TO 2022–23

Topic focus area	Brief overview
COVID-19 vaccination rollout	<p>This audit will assess the effectiveness and efficiency of NSW Health's COVID-19 vaccine rollout. It will have a particular focus on whether NSW Health:</p> <ul style="list-style-type: none"> <li>• set vaccination targets supported by evidence</li> <li>• effectively and efficiently managed the rollout of the COVID-19 vaccine</li> <li>• effectively and efficiently managed demand.</li> </ul>
Managing elective surgery	<p>Each year approximately 200,000 patients have elective procedures/surgery in New South Wales public hospitals. Patients are placed on a waiting list and given a clinical priority depending on the seriousness of their condition. Managing elective surgery patients and waiting lists is a key priority for the NSW Government and NSW Health.</p> <p>During the COVID-19 pandemic, there were temporary suspensions of non-urgent elective surgeries to ensure there was sufficient staffing and hospital bed capacity in New South Wales to meet COVID-19 related demand. This audit may examine how NSW Health manages the public elective surgery waitlist, and could include a focus on the impact on patient health caused by the suspension of elective surgery during COVID-19.</p>
Ambulance demand management	<p>New South Wales has experienced periods of high demand for ambulance services in metropolitan areas and ambulance services have needed to meet surges in demand. New South Wales has implemented strategies to manage its emergency responses, including the Sydney Ambulance Metropolitan Infrastructure Strategy which aims to reshape operations in metropolitan Sydney, transforming the majority of the 43 ambulance stations in the area into a network of NSW Ambulance superstations. This \$184 million program has created ambulance hubs that are supported by smaller, standby stations called Paramedic Response Points. This audit could assess impacts of this and other strategies in meeting demand for ambulance services and improving ambulance response times.</p>

## PLANNED AUDITS 2023–24 TO 2024–25

Topic focus area	Brief overview
Aboriginal health outcomes	<p>The New South Wales state plan, NSW 2021: A plan to make NSW number one, sets targets to improve the health of Aboriginal people in New South Wales. This includes reducing the gap in infant mortality between Aboriginal and non-Aboriginal infants, reducing rates of smoking during pregnancy and potentially preventable hospitalisations.</p> <p>NSW Health released the NSW Aboriginal Health Plan 2013–2023 in 2012. The vision of the Plan is health equity for Aboriginal people. The goal of the Plan is to work in partnership with Aboriginal people to achieve the highest level of health possible for individuals, families, and communities. This audit may examine NSW Health’s progress at improving health outcomes for Aboriginal people in New South Wales, with a focus on one or two health outcomes or clinical areas.</p>
Virtual healthcare	<p>Virtual healthcare, also known as telehealth, safely connects patients with health professionals to deliver care when and where it is needed. It complements face-to-face care. The COVID-19 Recovery Plan details a range of NSW government recovery responses including a planned focus for NSW Health that involves a further rollout of digitisation and virtual services across the State. Virtual healthcare services received a major boost during the 2020 COVID-19 pandemic. Patients and clinicians embraced the service with a 700% increase in February to May 2020 compared with the same period in 2019. This audit may examine the use of virtual care services, where clinically appropriate, and NSW Health’s focus on sustainably embedding the virtual care model.</p>
Health workforce planning	<p>Workforce planning has the potential to influence the effectiveness of the entire New South Wales hospital system. Governments are responsible for ensuring the availability of a capable and qualified nurse and medical workforce to staff NSW Health’s public hospitals. There are challenges across the country in sourcing staff with some clinical specialties. This is particularly acute in regional and rural areas. NSW Health needs assurance that nurse and medical staff are sufficient in numbers and appropriately qualified to service the current and future requirements. This audit may assess the effectiveness of workforce planning to supply sufficient health staff, with a particular focus on regional, rural and remote areas.</p>
Community-based mental healthcare	<p>Increasing numbers of people are presenting at hospital emergency departments requiring treatment during an acute mental health episode. Over the past ten years, a higher volume of mental health presentations has increased stress on hospital emergency department personnel and resources. NSW Health has a range of community mental health services and programs, including the statewide Community Living Supports program to support people to live with mental illness in the community.</p> <p>This audit could consider NSW Health’s actions to enhance community-based mental healthcare through coordination and integration of community care with other services and non-government providers, as well as actions to enhance telehealth and community mental health workforce planning.</p>

## PLANNED AUDITS 2023–24 TO 2024–25

Topic focus area	Brief overview
<b>Suicide prevention</b>	<p>One of the Premier's Priorities is 'Towards zero suicides', with the aim of reducing the rate of suicide deaths in New South Wales by 20% by 2023. Towards Zero Suicides is an \$87 million investment over three years, starting from 2019–2020, in new suicide prevention initiatives that address priorities in the Strategic Framework for Suicide Prevention in NSW 2018–2023. The initiatives include system improvements, suicide prevention training for NSW government staff and community members, and enhancing support in regional and rural areas.</p> <p>This audit could examine whether NSW Health's implementation of the Strategic Framework for Suicide Prevention in NSW 2018–2023 is effectively meeting its objectives.</p>
<b>Access to drug and alcohol services</b>	<p>The Centre for Alcohol and Other Drugs is responsible for developing, managing and coordinating NSW Ministry of Health policy, strategy and program funding for the prevention, minimisation and treatment of alcohol and drug-related harm. The branch also supports the maintenance of relevant legislative frameworks, including drug and alcohol treatment legislation.</p> <p>The work of Centre for Alcohol and Other Drugs is delivered through the drug and alcohol program, in partnership with local health districts, Justice Forensic and Mental Health, Sydney Children's Hospital Network, NSW Health pillars and affiliated health organisations, non-government organisations, research institutions and other partner organisations. The 2021–22 budget for drug and alcohol services is \$330 million. The funding is allocated to local health districts and non-government organisations to provide core drug and alcohol services.</p> <p>This audit may examine the effectiveness, efficiency and economy of NSW Health's drug and alcohol program.</p>
<b>Preventive health and health promotion</b>	<p>Preventive health and health promotion policies and programs play a critical part in ensuring the future health of citizens. They also address the increasing burden of disease, help to reduce health inequity, and increase preparedness for emerging health threats. Decreased disease burden has a significant impact on the economy, reducing the cost of delivering health services, as well as increasing productivity. The NSW Government has carriage of many health prevention and awareness programs, some of which are delivered through Health key partners and Local Health Districts.</p> <p>In New South Wales, preventive health and health promotion policies and programs cover a range of issues, including cancer prevention, alcohol and other drug use, cardiovascular health, sexual health, and the promotion of healthy eating and physical activity.</p> <p>This audit may examine whether NSW Health is effectively and efficiently delivering outcomes in one or more prevention or health promotion programs.</p>

The Stronger Communities cluster delivers community services to support a safe and just New South Wales. It aims to support safer and stronger communities by protecting children and families, promoting public safety, breaking the cycle of reoffending, and promoting physical activity and participation in organised sport, recreation and events. The police, courts, correctives, child protection and emergency services help keep citizens safe. Rule of law, affordable housing, assistance for people with disability and initiatives to reduce domestic and family violence, all help to build strong and supportive communities across New South Wales.



## PLANNED AUDITS TO 2022-23

Topic focus area	Brief overview
Child protection	<p>Children and young people deserve to be protected from abuse and neglect, and have the best possible start in life. Once a child has been reported at 'risk of significant harm', child protection practitioners are charged with supporting families to create change and provide safer homes for their children. The number of 'risk of significant' harm reports has been increasing in recent years. Decreasing the proportion of children and young people re-reported at risk of significant harm by 20% by 2023 is a Premier's Priority, led by the Department of Communities and Justice.</p> <p>This audit may focus on the access, timeliness and quality of the department's child protection responses, including resourcing and demand modelling, triaging and allocation, capacity and capability of staff, and completeness and accuracy of relevant data.</p>
Safeguarding the rights of Aboriginal children and young people in the child protection system	<p>Aboriginal children are over-represented in the child protection system. Approximately 50% of the children in out of home care are Aboriginal, despite comprising four per cent of the population in New South Wales. The Aboriginal Case Management Policy (ACMP) and the Aboriginal Child Placement Principles (ACPP) are designed to ensure that when Aboriginal children encounter the child protection system their connections to family, kin, community, culture and country are safeguarded.</p> <p>This audit may examine how effectively the Department of Communities and Justice is implementing the ACMP and the ACPP including systems, procedures, resources, outcomes monitoring and cultural capability of staff.</p>

## PLANNED AUDITS TO 2022–23

### Topic focus area

#### Social housing

### Brief overview

Long-term, subsidised rental housing is provided to assist people who have extreme difficulty in accessing housing in the private housing market. The collective term for this type of housing is 'social housing' which in New South Wales includes:

- 'public housing' managed by the Department of Communities and Justice
- 'community housing' managed by non-government organisations (social housing providers)
- housing for Aboriginal and Torres Strait Islander peoples owned by the Aboriginal Housing Office and managed by the Department of Communities and Justice or Aboriginal social housing providers.

The 2016 Future Directions for Social Housing strategy sets out the NSW Government's ten-year vision for social housing. The \$1 billion Social and Affordable Housing Fund is a key initiative under Future Directions and is expected to provide 3,400 new social and affordable dwellings by the end of 2023. The 2020–21 State Budget allocated a further \$812 million for new and upgraded social housing across New South Wales. This is intended to deliver a further 1,280 new social homes and Aboriginal housing, place-based redevelopment projects at some existing housing estates, and upgrades to over 3,500 social housing dwellings.

This audit may consider the effectiveness and efficiency of the strategic planning and administration of public housing, delivery and outcomes of the Future Directions strategy, and related additional funding and transfer of housing to community providers.

## PLANNED AUDITS TO 2023–24 TO 2024–25

Topic focus area	Brief overview
Service continuity during crises	Recent emergencies in New South Wales including bushfires, floods and the COVID-19 pandemic have put additional pressure on emergency response agencies. Agencies are required to plan for service delivery during business-as-usual times, including forecasting demand for their services, and planning for the workforce and other resources required to deliver service. Agencies are also required to plan for the unexpected through Business Continuity Plans detailing how they will respond in a crisis. This audit may examine one or more emergency service agencies and how effectively they have planned to deliver quality and timely services in business as usual and crisis situations.
Organisational responses to disasters and emergencies	Resilience NSW (formerly the NSW Office of Emergency Management) is the lead disaster management agency for New South Wales, responsible for all aspects of disaster recovery and building community resilience to future disasters. It was established in May 2020 following the 'Black Summer' bushfires with the objective of driving 'world-leading' disaster preparedness and providing assurance to the NSW Government that communities are well supported to recover from disasters and emergencies quickly. In 2021–22, the NSW Government allocated \$786 million to Resilience NSW to carry out its functions, including \$717 million for community grants to support local disaster preparedness and recovery activities. This audit may examine the effectiveness of organisations, such as Resilience NSW, in meeting their objectives in responding to disasters.
Access to Legal Aid and community legal services	Legal Aid NSW and non-government community legal centres (CLCs) provide free legal assistance services across the State, particularly to people experiencing economic hardship, social disadvantage or discrimination. Previous national and state reviews have found unmet demand for legal assistance services and specific service gaps, and made recommendations for adequate and stable funding. In 2019–20 the NSW Government provided \$224 million in funding to Legal Aid NSW for legal assistance services, and an additional \$88 million to enable Legal Aid NSW to increase hourly rates for private lawyers in line with other states and territories. A further \$95 million in Commonwealth legal assistance funding was announced for Legal Aid NSW and a number of NSW CLCs in 2021–22 under the National Legal Assistance Partnership Agreement. This audit may consider how accessible Legal Aid NSW and CLC services are, and how effectively they are prioritising their services to meet demand.
Aboriginal outcomes	<p>The Department of Communities and Justice aims to deliver outcomes for First Nations people across its different functions and services relating to child protection and out of home care, preventing domestic and sexual violence, housing and homelessness, youth justice and corrections, and the broader justice system. In November 2021 the department created a dedicated Transforming Aboriginal Outcomes division to focus on delivering relevant Closing the Gap commitments across these domains.</p> <p>This audit may consider whether the department is effectively working with First Nations leaders, families, service providers and staff to implement Closing the Gap targets, including co-designing relevant policies and services, driving strategy and program implementation, monitoring outcomes, and progressively improving the approach.</p>

## PLANNED AUDITS TO 2023–24 TO 2024–25

Topic focus area	Brief overview
Community Services portfolio management	This performance audit could take a broad view of how programs and services are targeted within the Community Services portfolio of the Department of Communities and Justice. This may include an examination of demand modelling, workforce planning, evaluation and data, and other evidence for the department's decisions on service planning, funding and delivery, including piloting, decommissioning and reprioritisation.
Managing offenders in the community	<p>An offender may be placed on a diverse range of community-based court orders in New South Wales. Conditions may include home detention, electronic monitoring, curfews, community service work, alcohol/drug bans, place restrictions or non-association requirements. NSW Government reforms in September 2018 aimed to increase the proportion of offenders sentenced to supervised community-based orders and reduce the proportion of offenders serving short prison sentences. The NSW Bureau of Crime Statistics and Research found these have increased the number of offenders on supervised community orders from around 39,000 at the introduction of the reforms to more than 59,000 as at 31 January 2020. There were also large drops in the New South Wales prison population in the second quarter of 2020 during COVID-19, due in part to an increase in custodial discharges as people were released from remand to wait for their court case in the community.</p> <p>This audit may look at the effectiveness and efficiency of managing offenders on community-based orders and alleged offenders on remand in the community, and may follow on from our 2019 report examining responses to growth in the prisoner population.</p>

The Planning and Environment cluster is responsible for improving the liveability, prosperity and sustainability of New South Wales. The cluster includes the following areas of responsibility: urban and regional planning, natural resources, environment, heritage, housing, and Crown lands and water.



## PLANNED AUDITS TO 2022–23

Topic focus area	Brief overview
Managing heritage assets	<p>The NSW Government owns and manages a range of significant heritage assets across a number of government agencies. These assets include historic buildings, gardens, artefacts and Aboriginal places with heritage significance. This audit will consider whether these significant cultural assets and sites are being managed effectively and to the benefit of the community. This audit may examine how well the department oversees heritage asset management and the management and maintenance practices of a selection of agencies' portfolio of properties, relics and precincts. This audit may focus on assets in regional New South Wales, or Aboriginal cultural assets.</p>
Native forestry regulation (with Regional NSW)	<p>The Forestry Corporation of NSW is a state-owned corporation that supplies timber to sawmills in New South Wales, including with timber harvested from public native forests. In undertaking its operations Forestry Corporation must comply with Integrated Forestry Operations Approvals (IFOAs), which set out rules to protect species and ecosystems where timber harvesting is occurring and ensure forests are managed in an ecologically sustainable way. The NSW Environment Protection Authority is responsible for regulating Forestry Corporation's compliance with IFOAs, including by maintaining and enforcing a compliance program. The bushfires in 2019–20 had a major impact on regional communities and the local forestry industry, and heightened environmental risks in public native forests.</p> <p>A performance audit on this topic may assess how effectively the Forestry Corporation of NSW is managing and monitoring its contracts, and how effectively the NSW Environment Protection Authority is ensuring that forestry operations are complying with the rules.</p>
Coastal management reforms (with selected local councils)	<p>The coast is one of our greatest assets in New South Wales, and is home to nearly 85% of the state's population. The NSW Government has established a new framework to manage the coastal environment in a sustainable way for the wellbeing of the people of New South Wales. This includes the <i>Coastal Management Act 2016</i>, the State Environmental Planning Policy (Resilience and Hazards) 2021, and support and funding to local councils for their coastal management programs.</p> <p>A performance audit on this topic could assess how effectively the department has overseen and implemented key elements of this reform package, and how effectively coastal councils have delivered coastal management programs.</p>

## PLANNED AUDITS TO 2023–24 TO 2024–25

Topic focus area	Brief overview
Threatened species	<p>There are 1,043 species and 115 ecological communities that are listed as threatened in New South Wales under the <i>Biodiversity Conservation Act 2016</i>, including 78 species declared extinct. These numbers continue to rise, and the 2019–20 bushfires exacerbated this. The Department of Planning and Environment (DPE) is responsible for conducting research on biodiversity in New South Wales, including threatened species and ecological communities, and preparing mapping to inform its programs and strategies. Saving our Species is one of the department's key programs, alongside the NSW Koala Strategy and bushfire recovery strategies. The department also provides data to the NSW Threatened Species Scientific Committee to make decisions about the listing of threatened species.</p> <p>A performance audit on this topic could assess how effectively DPE is collecting and managing the data required to develop evidence-based programs and strategies for threatened species and ecological communities in New South Wales, and whether it is monitoring the effectiveness of these investments.</p>
Water management and regulation	<p>Water regulation aims to achieve sustainable environmental, economic and social outcomes from the management of water resources, consistent with the <i>Water Management Act 2000</i>. Following recommendations from reviews into water theft, reforms were made by DPE to strengthen water regulation, compliance and enforcement – including the establishment of the Natural Resources Access Regulator (NRAR) in 2018. DPE shares responsibility for issuing water access licences and approvals with the state-owned corporation, WaterNSW.</p> <p>A performance audit could assess how effectively DPE, WaterNSW and NRAR are undertaking regulatory functions to enable secure, sustainable and transparent water sharing in New South Wales. This topic could also consider how effectively DPE has implemented related reforms to enhance water metering technology and rules, and the efficacy of NRAR's activities to support this program.</p>
Regional Infrastructure Contributions	<p>A previous performance audit focused on local infrastructure contributions collected and spent by local councils. We found that increasing balances were present in councils that did not have strong governance over the funds. The state government also collects developer contributions and has announced a new approach to collecting these contributions, the Regional Infrastructure Contribution (RIC) Framework. The RIC Framework aims to create a simpler and more certain state contributions system for high-growth regions of New South Wales to manage the impact of that growth on communities.</p> <p>The audit may examine governance over RICs and transparency over how contributions are levied and spent.</p>

## PLANNED AUDITS TO 2023–24 TO 2024–25

Topic focus area	Brief overview
Western Sydney Aerotropolis (with local government and DEIT)	The Western Sydney Aerotropolis is a new 11,200-hectare economic hub that will be built around the new Western Sydney Airport. The Aerotropolis is expected to be a significant contributor to jobs in western Sydney over the coming years, particularly after the airport commences operations in 2026. All three levels of government are involved in the creation of the Aerotropolis, including a number of NSW government agencies and councils. Key agencies include DPE, the Western Parkland City Authority, and Transport for NSW. An audit in this space may consider the effectiveness of key state government agencies in coordinating the planning for infrastructure and securing of big investments for the Aerotropolis, and the integrity of the processes involved.
Electric vehicle infrastructure	In 2020, electric vehicle sales made up under one per cent of all vehicle sales in New South Wales. The NSW Electric Vehicle Strategy, released in 2021, is intended to increase this share to 52% of all new car sales in 2030–31 as part of reducing the State's carbon emissions. A key part of this strategy is to invest in electric vehicle charging infrastructure. The government has announced \$171 million in investment over four years to achieve this. This includes ensuring that ultra-fast charging stations are available at 100 km intervals across all major highways in New South Wales, as well as increasing the availability of charging infrastructure in areas with limited off-street parking. An audit in this space may consider how effectively DPE is administering this funding and whether the program is effectively providing electric vehicle infrastructure in identified priority areas. The audit may also consider other aspects of the NSW Electric Vehicle Strategy.
Cemeteries and Crematoria	In February 2021, the NSW Government tabled the report of a statutory review of the <i>Cemeteries and Crematoria Act 2013</i> . The report titled 'The 11th hour solving Sydney's cemetery crisis' found that Greater Sydney is running out of burial space posing significant financial risk to the State's finances with unfunded liabilities of the Crown sector in excess of \$300 million and required capital for new cemeteries of approximately \$200–300 million. The report set out a number of recommendations around the topics of Crown sector consolidation, strengthening the regulator and acquisition of land. A performance audit of this topic could look at how effectively the NSW Government is planning and implementing a response to the issues and recommendations set out in this report.

The Regional NSW Cluster was established in early 2020, and is charged with coordinating support for people, businesses and communities in regional areas. Its objectives include delivering stimulus in response to recent disasters, along with the \$3.3 billion Regional Growth Fund and the \$4.2 billion Snowy Hydro Legacy Fund. Cluster agencies are also responsible for the State's primary industries.



## PLANNED AUDITS TO 2022–23

### Topic focus area

### Brief overview

#### Native forestry regulation (with Planning and Environment)

The Forestry Corporation of NSW is a state-owned corporation that supplies timber to sawmills in New South Wales, including with timber harvested from public native forests. In undertaking its operations Forestry Corporation must comply with Integrated Forestry Operations Approvals (IFOAs), which set out rules to protect species and ecosystems where timber harvesting is occurring and ensure forests are managed in an ecologically sustainable way. The NSW Environment Protection Authority is responsible for regulating Forestry Corporation's compliance with IFOAs, including by maintaining and enforcing a compliance program. The bushfires in 2019–20 had a major impact on regional communities and the local forestry industry, and heightened environmental risks in public native forests. A performance audit on this topic may assess how effectively the Forestry Corporation of NSW is managing and monitoring its contracts, and how effectively the NSW Environment Protection Authority is ensuring that forestry operations are complying with the rules.

#### Flood recovery

Extreme rainfall across Eastern Australia in March 2021, November 2021 and throughout 2022 led to a series of major flooding events in New South Wales. In response, the NSW Government declared each of these events a natural disaster and made available a wide range of support for affected individuals and businesses. This included grants to assist with the clean-up in response to the floods or to recover from the impact of the floods. The government has also set up the Northern Rivers Reconstruction Corporation in response to the 2022 floods. This audit will consider select aspects of the government's response to the recent flooding events in New South Wales. The exact areas considered in this audit will take into account the findings of the NSW Independent Flood Inquiry and the Parliamentary Inquiry into the Response to Major Flooding across New South Wales in 2022.

## PLANNED AUDITS TO 2023–24 TO 2024–25

Topic focus area	Brief overview
Special Activation Precincts	Special Activation Precincts are a new way of planning and delivering industrial and commercial infrastructure projects in dedicated areas in regional New South Wales, by bringing together planning and investment support services. The creation of Special Activation Precincts is delivered as part of the \$4.2 billion Snowy Hydro Legacy Fund. Seven areas have been identified: Parkes, Wagga Wagga, Snowy Mountains, Moree, Williamtown and Narrabri. This audit may select one or more Special Activation Precincts and examine how the state government and local council are working together to deliver the anticipated outcomes.
Regional digital connectivity program	The NSW Government has committed more than \$400 million over four years to bring a faster and more reliable digital network to rural and regional New South Wales. The Regional Digital Connectivity Program (RDCP) was set up to deliver families and businesses in regional NSW better access to mobile, internet and digital services, aiming to address the divide between metropolitan centres and regional NSW. The program is investing in infrastructure, emerging technologies, and services to aid in this, as well as technology to increase productivity for farms and agribusinesses. Some of this funding is delivered through tenders to telecommunications providers and some of the funding is handed out as a grants program. This audit may focus on how effectively the Department of Regional NSW is administering the RDCP.
WestInvest (with Premier and Cabinet and DEIT)	The WestInvest Fund is a \$5 billion fund, announced in September 2021 as part of the NSW Government's economic recovery measures. The government initially announced that the fund was generated as a result of the sale of the government's remaining stake in WestConnex. On 3 November a further announcement indicated that \$800 million of the proceeds of WestConnex will be used in WestInvest with the remainder of the proceeds of WestConnex to be used to clear debt. This audit will consider the integrity of the assessment and approval processes for project funding decisions.

The Department of Enterprise, Investment and Trade (DEIT) was established on 1 April 2022 to drive the NSW Government's commitment to economic transformation. The new department has 17 agencies and incorporates five groups: enterprise, investment and trade; science, innovation and technology; hospitality and racing; sport, culture and tourism; and the Western Parkland City Authority. It leads the 'unsolicited proposals' process.



## PLANNED AUDITS TO 2022-23

### Topic focus area

### Brief overview

#### Jobs for NSW

Jobs for NSW is a statutory body established pursuant to the *Jobs for NSW Act 2015*. The intention was to utilise high-level private sector business experience to drive the creation of new jobs, attract new businesses and facilitate economic development in New South Wales through the provision of strategically targeted incentives from the \$190 million Jobs for NSW Fund. A target of 150,000 new jobs in the four years to 2020 was announced by the NSW Government.

This audit will consider the effectiveness and efficiency of Jobs for NSW (and the Jobs for NSW Fund) in fulfilling its objectives.

## PLANNED AUDITS TO 2023–24 TO 2024–25

Topic focus area	Brief overview
Western Sydney Aerotropolis (with DPE, DEIT and local government)	<p>The Western Sydney Aerotropolis is a new 11,200-hectare economic hub that will be built around the new Western Sydney Airport. The Aerotropolis is expected to be a significant contributor to jobs in western Sydney over the coming years, particularly after the airport commences operations in 2026. All three levels of government are involved in the creation of the Aerotropolis, including a number of NSW government agencies and councils. Key agencies include DPE, the Western Parkland City Authority, and Transport for NSW. An audit in this space may consider the effectiveness of key state government agencies in coordinating the planning for infrastructure and securing of big investments for the Aerotropolis, and the integrity of the processes involved.</p>
Investment in arts and culture	<p>The arts and culture sector plays an important role in the State's social and economic fabric, including by attracting visitors, developing skills, creating new jobs and developing state cultural assets for future generations. To revitalise the arts and culture sector, the NSW Government committed \$210 million in 2021–22 to support the performing arts and live music, helping artists, performers and venues to rebuild visitor numbers reduced by COVID-19. This audit may examine the effectiveness of significant arts infrastructure or funding governance processes and/or the achievement of value for money from specific projects.</p>
Unsolicited proposals (DEIT and other agencies)	<p>An 'unsolicited proposal' is an approach to government from a proponent with a proposal to deal directly with the government over a commercial proposition, where the government has not requested the proposal. The NSW Government updated its guidelines for the submission and assessment of unsolicited proposals in August 2017. The updated guidelines incorporated the recommendations from two performance audits conducted by the Audit Office of New South Wales (<a href="#">Managing Unsolicited Proposals in NSW</a>, 2016 and <a href="#">NorthConnex</a>, 2017) and the most recent periodic review in 2016, providing greater clarity and public reporting. The guidelines were further updated in 2022 to reflect machinery of government changes.</p> <p>This audit will assess the integrity and probity of the unsolicited proposals process.</p>

New South Wales has 128 local councils servicing a specific geographic area and ten county councils formed for specific purposes, such as water supply management or the eradication of noxious weeds. Each council provides a unique range of services to meet its communities' needs. The mix is influenced by a range of factors including population density, demographics, the local economy, and geographic and climatic characteristics.



## PLANNED AUDITS TO 2022–23

Topic focus area	Brief overview
Cyber security in local government	The increasing global interconnectivity between computer networks has dramatically increased the risk of cyber security incidents. Such incidents can harm local government service delivery and may include the theft of information, denial of access to critical technology, or even the hijacking of systems for profit or malicious intent. This audit will consider how well selected councils ensure they have effective cyber security measures in place.
Effectiveness of financial management and governance	Under the <i>Local Government Act 1993</i> (the Act), councils must apply sound financial management principles that require responsible and sustainable spending and investment, and ensure that future decisions consider intergenerational effects and equity. This audit is the second in a series of audits. It will consider one or more councils and examine how these principles are effectively applied in the councils' financial and asset management, funding decisions and risk management practices. It may examine how councils' expenditure and investment decisions have complied with the Act.
Coastal management reforms (with Planning and Environment)	The coast is one of our greatest assets in New South Wales, and is home to nearly 85% of the State's population. The NSW Government has established a new framework to manage the coastal environment in a sustainable way for the wellbeing of the people of New South Wales. This includes the <i>Coastal Management Act 2016</i> , the State Environmental Planning Policy (Resilience and Hazards) 2021, and support and funding to local councils for their coastal management programs.  A performance audit on this topic could assess how effectively the department has overseen and implemented key elements of this reform package, and how effectively coastal councils have delivered coastal management programs.

## PLANNED AUDITS TO 2023–24 TO 2024–25

Topic focus area	Brief overview
Managing the code of conduct	In August 2020, the Office of Local Government (OLG) released a model code of conduct for council officials which covers topics including bullying and harassment, pecuniary interests and managing conflicts of interest. Section 440 of the <i>Local Government Act 1993</i> requires every council to adopt a code of conduct that incorporates the provisions of this model code. An audit could look at the compliance of councils' codes of conduct against this model code, the effectiveness of their implementation and the effectiveness of complaint handling. It could focus on one or more of the issues covered by the code including bullying and harassment, managing conflicts of interest and disclosure of pecuniary interests. It could also consider the OLG's role to provide oversight, right of review and support functions under the model code.
Road asset maintenance	New South Wales has over 144,000 km of roads across its network. This audit will have a focus on regional roads and will build on lessons learned in our 2014 <a href="#">Regional Road Funding</a> audit and our 2017 <a href="#">Sydney Road Maintenance Contracts</a> audit. The audit may consider how effectively and efficiently local councils plan for, and manage, their road assets including maintenance activities, rehabilitation and rebuilding roads at the end of their useful life.
Managing climate risks to assets and services	Councils face climate risks that may impact the assets they use to provide services and infrastructure to local communities, especially in local government areas near the coast, on floodplains, or on bushfire-prone land. Our 2021 performance audit report on Managing climate risks to assets and services identified that key state government agencies had not conducted climate risk assessments and most lacked adaption plans. Councils should be preparing for, implementing and monitoring actions to adapt to climate risks, for both current assets and services as well as longer-term strategic planning. This audit may consider how effectively selected councils are doing this.
Western Sydney Aerotropolis (with DPE and DEIT)	The Western Sydney Aerotropolis is a new 11,200-hectare economic hub that will be built around the new Western Sydney Airport. The Aerotropolis is expected to be a significant contributor to jobs in western Sydney over the coming years, particularly after the airport commences operations in 2026. All three levels of government are involved in the creation of the Aerotropolis, including a number of NSW government agencies and councils. Key agencies include DPE, the Western Parkland City Authority, and Transport for NSW. An audit in this space may consider the effectiveness of key state government agencies in coordinating the planning for infrastructure and securing of big investments for the Aerotropolis, and the integrity of the processes involved.

## PLANNED AUDITS TO 2023–24 TO 2024–25

Topic focus area	Brief overview
<b>Effectiveness of financial management and governance</b>	Under the <i>Local Government Act 1993</i> (the Act), councils must apply sound financial management principles that require responsible and sustainable spending and investment, and ensure that future decisions consider intergenerational effects and equity. This will continue a series of audits that will consider one or more councils and examine how these principles are effectively applied in the councils' financial and asset management, funding decisions and risk management practices, and may examine how councils' expenditure and investment decisions have complied with the Act.
<b>Performance management and monitoring</b>	Councils need to be transparent and accountable to the public about their operations and performance, and ensure they deliver in line with community expectations. All councils in New South Wales should have adopted the Integrated Planning & Reporting (IP&R) framework by June 2012. This framework ensures councils' delivery of programs and operational plans are aligned with community priorities. Councils are to report on their performance in their annual reports. This audit could examine councils' compliance with IP&R guidelines. It could also examine how the OLG has supported councils through the development of a performance measurement framework and delivered direct support to rural councils. This audit would follow on from our <a href="#">2018 performance audit</a> which reviewed the annual reports of all local councils to look at the performance of a select number of councils in depth.
<b>Audits of issues within a particular council</b>	From time to time the Auditor-General receives requests for special reviews or is alerted to matters of concern from the public in relation to individual councils. We will consider these requests and may carry out a performance audit on a single council including their efficiency, effectiveness, economy, or compliance with laws. Issues under consideration in such an audit could include the effectiveness of financial and performance management, governance, legislative compliance and the effectiveness of service delivery. This audit could also assess how well councils that supply water and/or sewer services are managing these.

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