



INSIGHTS FOR BETTER GOVERNMENT

24 JULY 2020

Annual work program 2020–21

Auditor-General's introduction

The Audit Office holds a privileged position as one of a small number of independent agencies that provide the checks and balances integral to our system of government. The year ahead brings particular challenges for government, adding emphasis to our important role in helping Parliament hold government to account for its use of public money.

While our core business is the conduct of audits, our aim is to provide NSW Parliament and the entities we audit with broader insights that inform and challenge government to improve outcomes for citizens.

Like any agency, we have finite resources and must target our efforts to make the most of what we have at our disposal. This year we have chosen to focus aspects of our financial and performance audit program on providing insights into government responses to recent emergencies including bushfires, floods and the COVID-19 pandemic.

In shaping the remainder of our performance audit program for the next three years we endeavour to get broad coverage of the sectors we audit. We consider risk, the scale of investments, transparency, and impacts on the community.

We would welcome any comments you may have to improve the annual work program, the processes we adopt, or our decisions. We promote continuous improvement among the entities we audit, and therefore also want to continuously improve the things we do and the way we do them.



Margaret Crawford

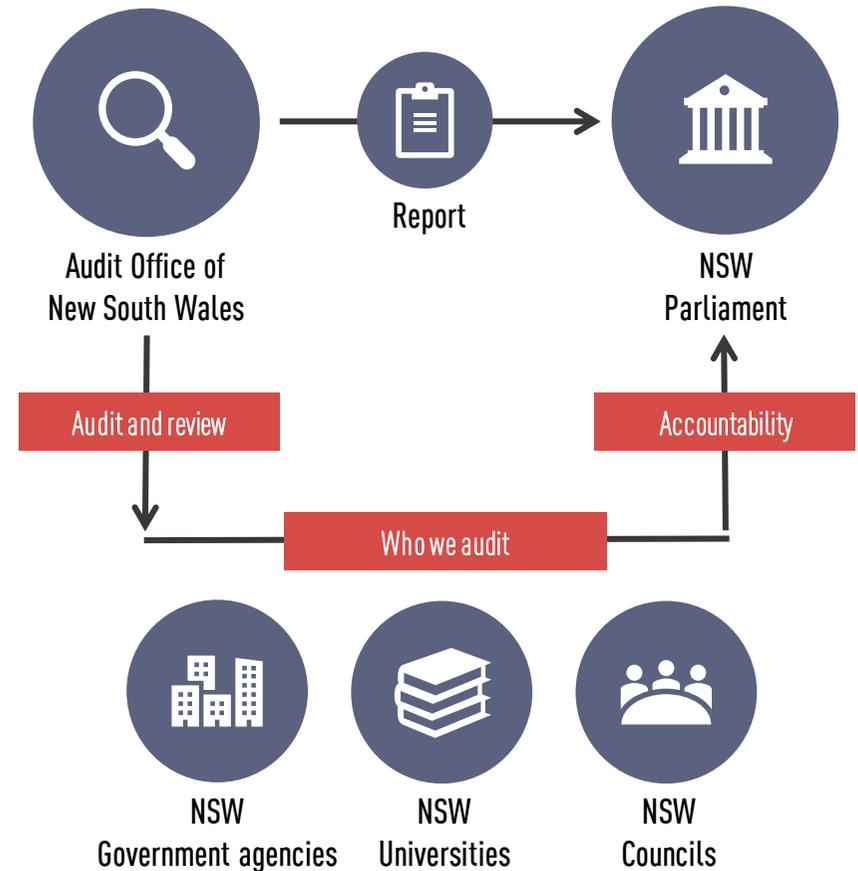
Auditor-General for New South Wales

24 July 2020

WHAT WE DO

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

The Audit Office conducts financial and performance audits, principally under the *Public Finance and Audit Act 1983* (PF&A 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 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 NSW Government agencies, NSW Universities and their controlled entities, and NSW Local Government councils.

We play an important role in effective public-sector governance as we assess the adequacy of the financial reporting control frameworks of the entities we audit. The PF&A Act also provides us with the mandate to report any waste, lack of probity or financial prudence in the management of public resources identified during our audits.

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

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

For 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, Industry and Environment, and Parliament.

Cluster and sector-wide reports are provided to Parliament through the Auditor-General's Reports to Parliament.

500

financial
audits

550

other assurance
audits and
reviews

11

Reports to
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 PF&A Act and the LG Act.

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

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

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 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, Industry and Environment, and Parliament.

Agencies and local councils 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

The Auditor-General can be requested by the Treasurer, a minister or both Houses of Parliament to perform audit or audit-related services.

Each year we also review whether Members of NSW Parliament complied with certain requirements outlined in the Parliamentary Remuneration Tribunal's Determination.

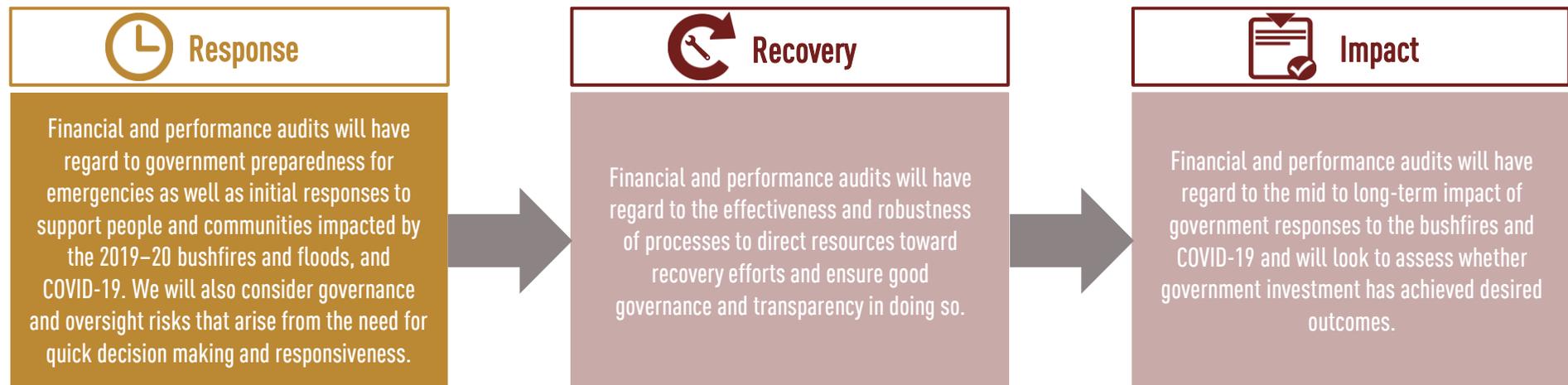
20
audits

Responding to recent emergencies in New South Wales

The 2019–20 bushfire and flood emergencies and the COVID-19 pandemic continue to have a significant impact on the people and public sector of New South Wales. The scale of government responses to both events has also been significant and has required a wide-ranging response through emergency response coordination, service delivery, governance and policy. Significant resources have been 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.

As the State's independent auditor, it is appropriate that we respond to the increasing and changing risk environment presented by these events and focus our efforts on providing assurance on how effectively aspects of these emergency responses have been delivered. It is also important that we be attentive to the particular financial and governance risks arising from the scale and complexity of government responses to these events.

While these emergencies are having a significant impact today, they are also likely to continue to have an impact into the future. We will take a phased approach to ensuring that our work addresses the following elements of the emergencies and government responses:



During 2020–21, we will focus on the immediate response phase in our work program.

Noting these scenarios have the potential to evolve and change, the Auditor-General for New South Wales may adjust the plan at any time. Any updates to the plan below will be published on our website.

Financial audit focus areas in response to recent emergencies: response phase

Financial audits will have regard to the bushfire and flood emergency and COVID-19 by addressing:

- financial implications at entity and sector level
- changes to operating models including processes and controls
- accessibility to technology and the maturity of systems and controls to prevent unauthorised and fraudulent access to data
- delivery of new or expanded projects, programs, or services at short notice.

Financial implications

We will evaluate any financial implications stemming from these events, including:

- the impact on entity operating results compared to original operating budgets
- the impact on the State's overall financial position, with consideration of both revenue and expenditure impacts, the cost of new policy measures to respond to these events, and additional funding to pay for new programs and stimulus packages
- the valuation of both financial and non-financial assets and any write-downs due to damage of physical assets.

Controls

Entities have adapted their systems, policies and procedures to accommodate remote working environments. We will consider how this affected the existing control environment and review any mitigating controls established as entities responded to these events. Where management has been unable to implement alternative controls, we will obtain evidence through additional testing of transactions.

Entities may be impacted where they rely on shared services. We will consider how COVID-19 has impacted the provider, their control environment, and their ability to provide independent assurance over the effectiveness of their controls.

Instruments of delegation may need to be updated by entities to accommodate changes to roles and responsibilities, or availability of delegated officers. We will ensure transactions tested comply with delegation limits.

Responding to recent emergencies in New South Wales (cont.)

Governance

We will assess how agencies adapt their governance arrangements to respond to these events, including:

- reviewing operational risk management capabilities
- ensuring there are clear/established responsibilities between those charged with governance, the Audit and Risk Committee and management
- evaluating whether management have applied adequate resources internally or externally to help in assessing and mitigating risk.

Technology

A significant number of remotely connected employees for an extended period may strain an entity's IT infrastructure and control environment. It is important to ensure network connections and controls are secure to mitigate the data protection risk associated with communicating through mobile applications. Where relevant, we will:

- assess whether security settings for remote connections and secure individual access mechanisms are in place and operating effectively
- determine the adequacy of network capabilities
- consider compliance with relevant cyber policies
- monitor the use of unauthorised computers and their access to the network
- review the data back-up policy and the frequency and adequacy of back-up practices.

Fraud and corruption risks

A shift to large numbers of staff working remotely can change an entity's risk profile and control frameworks. We will consider:

- risks associated with working from home where there is a loss of manager-employee and peer-to-peer interaction that normally takes place in an office environment
- procurement and purchasing risks in this environment include pressures to:
 - engage in emergency procurement
 - agree to contract variations
 - use direct negotiations and other exemptions from competitive procurement processes
 - pay suppliers quickly, especially if they are small businesses
 - rely on staff to purchase items using agency-issued purchasing cards.

Responding to recent emergencies in New South Wales (cont.)

Conflicts of interest

The public expects government agencies to uphold high standards when managing conflicts of interest. We will consider if selected entities have:

- policies to manage conflict of interests
- controls to minimise risks of non-compliance and to monitor the effectiveness of those controls
- procedures to manage conflicts of interest including staff self-declarations, annual declarations by senior executives, secondary employment declarations and maintenance of a conflict of interest/personal interest registers
- processes to identify and report any instances of non-compliance.

Business continuity and disaster recovery planning

A business continuity plan and disaster recovery plan help government agencies build and maintain resilience during a disaster, crisis or other disruption to its essential operations. Good planning enables government agencies to maintain operations during these times, as well as restore operations to normal in the shortest time possible. We will consider if selected entities have:

- implemented and maintained up-to-date business continuity and disaster recovery plans
- performed comprehensive risk assessments and business impact analysis
- regularly tested their business continuity and disaster recovery plans
- implemented processes to monitor and evaluate the performance of their business continuity and disaster recovery plans.

Stimulus funding and new programs

Some entities are being tasked with rolling out significant new programs aimed at responding to bushfires and floods and addressing the impact of COVID-19. Other entities have responsibility for programs aimed at assisting the economic victims of the pandemic and stimulating the economy. We will review whether the entity has put in place processes to manage the increased risks associated with these programs, such as:

- ensuring that contractors understand and conform to public sector ethical obligations
- maintaining appropriate controls, such as segregation of duties, within processes
- articulating clear responsibilities and lines of communication
- reporting progress and obstacles to the leadership/management team
- assigning accountability for the delivery of these programs/contracts.

Performance audits: response phase

We will focus our program of performance audits on the government's immediate response to the bushfire and flood emergency and COVID-19 in two ways. We will:

- deliver audits that directly address emergency planning, preparedness and responses
- include insights into how these emergencies have impacted other areas of public sector governance and service delivery through our broader program of work. Across our work program we will be attentive to specific risks to public sector governance arising from the emergencies, including risks relating to rapid service delivery, changes in governance, conflicts of interest, communication and transparency to the public, and record keeping.

Our planned performance audits that directly address the immediate response phase are set out below. Our detailed three-year plan which follows includes information on the broader three-year program of work.

Business continuity and disaster recovery planning: selection of agencies

Business continuity and disaster recovery planning assists organisations to prepare for and ensure they can respond to an incident or crisis. This includes natural disasters and pandemic events like COVID-19. Ideally, business continuity plans would ensure organisations are prepared to respond effectively to the impact of incidents or crises on a wide range of areas including service delivery, safety and availability of staff, availability of IT and other systems, financial management and governance.

This audit will examine the effectiveness of business continuity and disaster recovery planning processes in a selection of NSW Government agencies and local councils in preparing these organisations for recent emergency events.

Grants administration for disaster relief

In response to the 2019–20 bushfires and COVID-19 pandemic, the NSW Government is releasing significant funds through grants aiming to provide emergency support, recovery funding and economic stimulus.

An audit in this area could review whether applications are being assessed and funds are being distributed in accordance with program objectives and guidelines. The audit could also look at the efficiency of grants administration and whether funds have been distributed and received in a timely manner.

Coordination of emergency responses

The 2019–20 bushfire emergencies, and the COVID-19 pandemic have had a significant impact on the people and public sector of New South Wales. The scale of government responses to both events has also been significant and has encompassed a wide range of activities, service delivery, governance and policy. Significant resources have been directed for emergency responses, and in assisting rebuilding and economic recovery. Some systems and processes have changed to reflect the need for quick service delivery in response to immediate needs.

This audit will examine the effectiveness of whole-of-government planning, preparedness and responses to recent emergencies.

FINANCIAL AUDIT

We will carry out around 500 statutory financial audits of NSW Government agencies, NSW universities and NSW Local Government councils' financial statements, issuing over 1,050 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 in the table below.

Financial Audit Auditor-General's Reports to Parliament

Report on State Finances

This report will focus on the State's 2019–20 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 2019–20 financial audits that relate to the internal controls and governance of the 40 largest NSW State Government agencies.

Seven State sector cluster reports

Our cluster-based reports will analyse the results of the 2019–20 financial statement audits of NSW Government agencies and will comment on internal controls and areas of interest that are in focus during the conduct of our audits. In 2020, our cluster reports will cover:

- Central Agencies (incorporating the Treasury, Premier and Cabinet and newly created Customer Service clusters)
- Education
- Health
- Planning, Industry and Environment (incorporating the former Planning and Environment and Industry clusters)
- Regional NSW
- Stronger Communities (incorporating the former Family and Community Services and Justice clusters)
- Transport.

Local Government

This report will bring together findings and recommendations from our 2019–20 financial audits of local councils and will comment on financial reporting and sustainability, 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 2020. 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.

Compliance review: Cybersecurity

In February 2019 the Department of Finance, Services and Innovation launched the NSW Cybersecurity Policy to ensure all NSW Government Departments and Public Service Agencies are managing cybersecurity risks to their information and systems. The policy mandates a number of requirements that are a minimum that all agencies must implement. In addition agencies must assess their level of cyber maturity. This audit will examine whether agencies are complying with the Policy.

PERFORMANCE AUDIT

We plan to undertake the following performance audits in 2020–21. Our detailed three-year forward plan follows.

Whole-of-government/multi-agency

- Grants administration for disaster relief (Treasury and selected agencies)
- Business continuity and disaster recovery planning (selected NSW Government agencies and local councils)
- Implementation of public inquiry recommendations (Stronger Communities and selected agencies)
- Coordination of emergency responses (Premier and Cabinet and selected agencies)
- Grants administration: governance, probity and benefits realisation (selected NSW Government agencies)

Premier and Cabinet

- Coordination of emergency responses (Premier and Cabinet and selected agencies)
- Machinery of Government changes
- Advice on major decisions: redevelopment of the Sydney Football Stadium

Treasury

- Grants administration for disaster relief (Treasury and selected agencies)

Customer Service

- Government advertising
- Building regulation

Education

- Delivering school infrastructure
- Security of student information

Health

- Provision of health services in custodial settings
- Security and privacy of patient information

Stronger Communities

- Responses to homelessness
- Implementation of Public inquiry recommendations (Stronger Communities and selected agencies)
- Domestic and family violence

Transport

- Public transport in regional areas
- Road and rail freight strategy

Planning, Industry and Environment

- Aboriginal land claims
- Coordination of agencies in precinct planning (also in selected local councils)
- Implementation of government climate policy

Regional NSW

- Investment in regional development

Local Government

- Business continuity planning (also in selected NSW Government agencies)
- Council annual charges
- Coordination of agencies in precinct planning (also in Planning, Industry and Environment)

Three-year performance audit program by cluster

Whole-of-government - Performance audit

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



PLANNED AUDITS TO 2020–21

| Topic focus area | Brief overview |
|--|--|
| Grants administration for disaster relief (Treasury and selected agencies) | <p>In response to the 2019–20 bushfires and COVID-19 pandemic, the NSW Government is releasing significant funds through grants aiming to provide emergency support, recovery funding and economic stimulus.</p> <p>An audit in this area could take a largely compliance-based approach to review whether applications are being assessed and funds are being distributed in accordance with program objectives and guidelines. The audit could also look at the efficiency of grants administration and whether funds have been distributed and received in a timely manner.</p> |
| Business continuity and disaster recovery planning (selected NSW Government agencies and local councils) | <p>Business continuity and disaster recovery planning assists organisations to prepare for and ensure they can respond to an incident or crisis. This includes natural disasters and pandemic events like COVID-19. Ideally, business continuity plans would ensure organisations are prepared to respond effectively to the impact of incidents or crises on a wide range of areas including service delivery, safety and availability of staff, availability of IT and other systems, financial management and governance.</p> <p>This audit will examine the effectiveness of business continuity planning processes in a selection of NSW Government agencies and local councils in preparing these organisations for recent emergency events.</p> |

PLANNED AUDITS TO 2020–21

| Topic focus area | Brief overview |
|--|---|
| Implementation of public inquiry recommendations (Stronger Communities and selected agencies) | There are many public inquiries and reviews into the government's policy decisions and administration every year. Recommendations from public inquiries and reviews stem from parliamentary committees, the Coroner, the Ombudsman, ICAC, the Law Enforcement Conduct Commission and the Auditor-General. Other sources include statutory reviews of legislation, other reviews that the government has elected to make public and, more infrequently, special commissions of inquiry and royal commissions. This audit will assess the effectiveness of processes used by agencies to monitor and implement public inquiry recommendations with a focus on emergency and disaster response. |
| Coordination of emergency responses across government (Premier and Cabinet and selected agencies) | The 2019–20 bushfire and flood emergencies, and the COVID-19 pandemic have had a significant impact on the people and public sector of New South Wales. The scale of government responses to both events has also been significant and has captured a wide range of activities, service delivery, governance and policy. Significant resources have been directed for emergency responses, and in assisting rebuilding and economic recovery. Some systems and processes have changed to reflect the need for quick service delivery in response to immediate needs. This audit will examine the effectiveness of whole-of-government planning, coordination and preparedness for recent emergencies. |
| Grants administration: governance, probity and benefits realisation (selected NSW Government agencies) | This audit will consider a selection of grants programs, and assess whether they are being effectively targeted, administered and delivered to achieve expected outcomes. |

PLANNED AUDITS TO 2021–22 TO 2022–23

| Topic focus area | Brief overview |
|---|--|
| Outcome-based budgeting (Treasury and selected agencies) | This audit will examine how effectively Treasury has coordinated and overseen the new outcome-based budgeting framework, to ensure that the reform's policy goals are achieved. |
| City Deals (Premier and Cabinet, Treasury and selected local councils) | <p>This audit will involve the Department of Premier and Cabinet, NSW Treasury and the eight local councils that are partners to the Western Sydney City Deal.</p> <p>City Deals are partnerships between three levels of government to pursue common infrastructure or social policy goals. Currently, there is one City Deal in NSW: The Western Sydney City Deal which was signed in March 2018. It is a partnership between the Australian Government, NSW Government, and Blue Mountains, Camden, Campbelltown, Fairfield, Hawkesbury, Liverpool, Penrith and Wollondilly local councils. A formal review of the Western Sydney City Deal is due in 2021. This audit would consider the NSW Government's and local councils' role in contributing to the planning and implementation process.</p> |

The Premier and Cabinet cluster supports 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, arts and heritage functions.



PLANNED AUDITS TO 2020–21

| Topic focus area | Brief overview |
|--|--|
| Coordination of emergency responses (Premier and Cabinet and selected agencies) | <p>The 2019–20 bushfire emergencies, and the COVID-19 pandemic have had a significant impact on the people and public sector of New South Wales. The scale of government responses to both events has also been significant and has encompassed a wide range of activities, service delivery, governance and policy. Significant resources have been directed for emergency responses, and in assisting rebuilding and economic recovery. Some systems and processes have changed to reflect the need for quick service delivery in response to immediate needs.</p> <p>This audit will examine the effectiveness of whole-of-government planning, preparedness and responses to recent emergencies.</p> |
| Machinery of Government changes | <p>In April 2019, after the NSW State election, the Premier introduced changes to the structure of NSW Government agencies (known as Machinery of Government changes). These changes included the consolidation of government agencies into a structure of eight clusters. This audit will consider issues such as whether the 2019 Machinery of Government changes achieved their effectiveness and efficiency goals and improved public sector administration.</p> |
| Advice on major decisions: redevelopment of the Sydney Football Stadium | <p>The NSW Government makes decisions that involve the spending of significant sums, and that have substantial impacts on citizens. This audit will focus on the advice provided for the redevelopment of the Sydney Football Stadium. This audit may examine the adequacy of planning and risk management approaches and whether these:</p> <ul style="list-style-type: none">• were informed by appropriate and robust departmental advice• complied with relevant procurement and assurance frameworks. |

PLANNED AUDITS 2021–22 to 2022–23

| Topic focus area | Brief overview |
|--|---|
| Agency compliance with Infrastructure NSW guidance, requirements and recommendations | Infrastructure NSW provides advice to Cabinet on its independent oversight of NSW's infrastructure program through the Infrastructure Investment Assurance Framework (IIAF). The IIAF Assurance Review process provides for a series of short, focused, independent expert reviews, such as gateway reviews, held at key decision points in a project's lifecycle. The Assurance Reviews are appraisals of infrastructure projects, that highlight risks and issues, which if not addressed may threaten successful delivery. The delivery agency initiates the required gateway reviews and is expected to act on the recommendations documented in the Review Report. This audit will examine whether selected agencies initiated required gateway reviews and effectively addressed INSW's recommendations to improve project success. |
| City Deals (Premier and Cabinet, Treasury and selected local councils) | <p>This audit will involve the Department of Premier and Cabinet, NSW Treasury and the eight local councils that are partners to the Western Sydney City Deal.</p> <p>City Deals are partnerships between three levels of government to pursue common infrastructure or social policy goals. Currently, there is one City Deal in NSW: The Western Sydney City Deal which was signed in March 2018. It is a partnership between the Australian Government, NSW Government, and Blue Mountains, Camden, Campbelltown, Fairfield, Hawkesbury, Liverpool, Penrith and Wollondilly local councils. A formal review of the Western Sydney City Deal is due in 2021. This audit would consider the NSW Government's and local councils' role in contributing to the planning and implementation process.</p> |
| 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.</p> <p>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 NSW, or Aboriginal cultural assets.</p> |
| Council amalgamations | <p>For the council amalgamations that took place in 2016, the NSW Government projected benefits would be realised over a 20-year period. The 2015 IPART Fit for the Future report found that reducing waste and red tape through local government mergers in metropolitan Sydney could free up to \$2.0 billion over 20 years for NSW ratepayers, which could stabilise council rates and fund new infrastructure for communities. It also quantified benefits available by merging selected regional councils.</p> <p>This audit will assess whether the NSW Government effectively planned for the amalgamations process, including whether advice supporting the decision to implement amalgamations was based on robust analysis and enabled an assessment of progress in achieving clearly-defined, long-term benefits.</p> |

The Treasury cluster is the 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 the Crown Finance Entity, that reports large expenditures in relation to whole-of-state assets and liabilities.



PLANNED AUDITS TO 2020-21

| Topic focus area | Brief overview |
|---|--|
| Grants administration for disaster relief (Treasury and selected agencies) | <p>In response to the 2019-20 bushfires and COVID-19 pandemic, the NSW Government has released significant funds through grants aiming to provide emergency support, recovery funding and economic stimulus.</p> <p>An audit in this area could review the governance arrangements for selected grants programs, and whether applications are being assessed and funds are being distributed in accordance with program objectives and guidelines. The audit could also look at the efficiency of grants administration and whether funds have been distributed and received in a timely manner.</p> |

PLANNED AUDITS 2021–22 TO 2022–23

| Topic focus area | Brief overview |
|---|--|
| <p>Outcomes-based budgeting (Treasury and selected agencies)</p> | <p>This audit will examine how effectively Treasury has coordinated and overseen the new outcomes-based budgeting framework to ensure that the reform's policy goals are achieved.</p> |
| <p>City Deals (Premier and Cabinet, Treasury and selected local councils)</p> | <p>This audit will involve the Department of Premier and Cabinet, NSW Treasury and the eight local councils that are partners to the Western Sydney City Deal.</p> <p>City Deals are partnerships between three levels of government to pursue common infrastructure or social policy goals. Currently, there is one City Deal in NSW: The Western Sydney City Deal which was signed in March 2018. It is a partnership between the Australian Government, NSW Government, and Blue Mountains, Camden, Campbelltown, Fairfield, Hawkesbury, Liverpool, Penrith and Wollondilly local councils. A formal review of the Western Sydney City Deal is due in 2021. This audit would consider the NSW Government's and local councils' role in contributing to the planning and implementation process.</p> |

The Customer Service cluster aims to build upon work already undertaken to deliver and exceed customer expectations of NSW Government services. The cluster works to ensure customer insights are embedded in policy design and service.



PLANNED AUDITS TO 2020–21

| Topic focus area | Brief overview |
|------------------------|---|
| 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 2018–19 and 2019–20. |
| Building regulation | The NSW Government faces the complex task of regulating new building development to ensure quality and safety, in the context of significant and rapid development in some areas of the State. The emergence of risks relating to flammable cladding, and serious structural defects are examples of the complex issues requiring regulation. This audit will consider how well the government is regulating building standards in NSW and responding to risks. |

PLANNED AUDITS 2021–22 TO 2022–23

| Topic focus area | Brief overview |
|---|--|
| ICT investment | NSW Government agencies rely on information and communications technology (ICT) to assist in delivering services. In NSW, more than 40 million transactions are performed by the government for customers each year. Consumers and businesses expect continuous service improvements from government in the same way they do from any service provider. The NSW Government aims to use technology and data to better integrate government services and massively improve the quality and level of services available. The Digital Restart Fund was established in 2019 to accelerate whole-of-government digital transformation and enable iterative, multi-disciplinary approaches to digital/ICT planning, development and service provision and complements existing ICT investment approaches. In 2020, there was \$1.6 billion available in the Fund. This audit would assess the governance and administration arrangements for the Fund and whether it will achieve its objectives. |
| Integrity of data in the land titles registry | 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 title under the Torrens Assurance Fund (TAF). The Office of the Registrar General regulates NSW LRS as the operator of the NSW land titles registry under a regulator operator model. This audit could examine how effectively the Registrar General monitors NSW LRS's operation of the land titles registry in respect of defined service levels, KPIs and the integrity and security of the data in the register. |
| Effectiveness of DCS's regulatory functions | As a result of the 2019 Machinery of Government changes, DCS has received new regulatory functions in addition to the former Finance Services and Innovation regulatory portfolio. This audit could examine how it ensures that it is taking a risk-based approach to effectively regulate the industries it is responsible for. |
| Cybersecurity | The Audit Office aims to conduct a performance audit on cybersecurity every two years in a selection of agencies. Our focus areas for this performance audit will be informed by our analysis of emerging risks and issues, and relevant findings in our financial audit volumes. |
| Service NSW | Service NSW is a NSW Government initiative to make it easier for NSW residents and businesses to access government services. This audit will assess the effectiveness of Service NSW in helping agencies to provide frontline customer services efficiently and effectively. This audit may also follow up on the recommendations made in our 2016 performance audit report: Service NSW: benefits realisation. |

The Education cluster delivers and regulates education and training services for NSW 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 2020-21

| Topic focus area | Brief overview |
|--|--|
| <p>Delivering school infrastructure</p> | <p>Our 2017 performance audit on planning for school infrastructure identified chronic under-investment in school infrastructure and deficiencies in asset planning. In response, the department developed a School Asset Strategic Plan to accommodate expected student population up to 2031. The 2017-18 budget allocated \$4.2 billion over four years to cater for growing student enrolments. Funding was increased to \$6.0 billion in 2018-19 and \$6.7 billion in 2019-20. This performance audit will consider the effectiveness of strategic planning for, and implementation of, infrastructure projects for the school system in NSW.</p> |
| <p>Security of student information</p> | <p>Schools collect and maintain detailed student data, including sensitive personal information. Schools can also require or encourage students to use third party software applications for learning and other school related activities. This audit will examine how effectively schools ensure student data is secure – both within their own systems and when provided to third parties. This audit may also examine the effectiveness of information security governance as teachers and students moved to online learning in response to COVID-19.</p> |

PLANNED AUDITS 2021–22 TO 2022–23

| Topic focus area | Brief overview |
|--|--|
| Student behaviour management | Around four per cent of public school students received a short-term-suspension in 2018. Aboriginal students and students with a disability or other complex needs are over-represented in these data. The NSW Ombudsman found gaps in the approach to behaviour management in a 2017 report. Our performance audit on this issue will consider the department's progress since the Ombudsman's report. |
| Teacher and principal wellbeing | According to the 2019 People Matter Employee Survey, only 40 per cent of teachers agreed they were able to keep their work stress at an acceptable level. This performance audit will explore how effectively the department is ensuring the wellbeing of teachers and principals. The audit may look at issues such as bullying, support to respond to challenging student behaviour, workplace compensation claims, absenteeism, and management of complaints. |
| Literacy and numeracy in NSW schools | The Literacy and Numeracy Strategy 2017-2020 is a four-year plan to support the quality teaching of literacy and numeracy across all NSW schools. Targeted strategies include early years intervention, guidance on explicit teaching and diagnostic assessments, more support in secondary schools, additional training for teacher education students, and evaluation to focus effort on what works. An audit in this area could consider whether the key elements in the strategy have been implemented well, and whether the strategy has been successful in improving education outcomes in the targeted areas. |
| Planning for curriculum change | In May 2018, the NSW Government announced a comprehensive review of the school curriculum from Kindergarten to Year 12 to 'ensure that the NSW education system is properly preparing students for the challenges and opportunities of the 21st century'. The final report was released in June 2020 and recommended far-reaching change, through the introduction of a new curriculum for NSW schools, from Kindergarten to Year 12. Given the extent of recommended changes, the report indicates that 'the new curriculum arrangements will need to be phased in over an extended period of time, and teachers will need to be provided with professional development and support'. The Government accepted almost all of the recommendations and has proposed an ambitious reform timeline, with the new curriculum to be implemented by 2024. This audit may examine how the NSW Education Standards Authority and the Department of Education are co-ordinating planning to successfully implement changes to the school curriculum. |
| Vocational education and training in schools | Vocational Education and Training (VET) courses can help students prepare for further education, training or employment. Students in NSW have the option of studying VET courses at school or through TAFE NSW or other training providers. The number of VET in school students in NSW fell from around 61,200 to 47,900 (4.5 per cent) between 2014 and 2018. The NSW Curriculum Review interim report (2019) raised concerns about the cost, complexity and variable quality of VET in schools. This audit could examine whether students can access the courses they want, and the support and oversight of quality provided by the Department of Education. |

PLANNED AUDITS 2021–22 TO 2022–23

| Topic focus area | Brief overview |
|---|---|
| Student attendance | <p>Poor attendance at school is related to poor student outcomes, particularly once patterns of non-attendance have been established. It is important that schools have reliable procedures and systems that record student attendance accurately to enable schools to identify whether any interventions or additional support is required. Poor attendance is a particular issue for Aboriginal students, where there is a gap in attendance of five percentage points in primary school which increases to 15 percentage points by Year ten. An audit in this area could consider whether the department has comprehensive information on student information and uses this information to inform effective strategies that address the needs of high-risk groups.</p> |
| Supporting successful transitions between school and work | <p>After leaving school, young people are particularly vulnerable in the labour market. The NSW youth unemployment rate (10.1 per cent) is more than twice that of the working age population (4.4 per cent). In 2014, the NSW Public Accounts Committee recommended the department evaluate the quality and appropriateness of career advice provided in schools. An audit could examine whether the availability and quality of career advice has improved since that time.</p> |
| Supporting students in remote areas | <p>In terms of aggregated results, students in rural and remote areas of NSW underperform on major educational indicators when compared to students in metropolitan locations. Students in rural and remote areas also have lower attendance rates and engagement and are less likely to transition to further study. This audit will consider the effectiveness of the Department of Education's initiatives to reduce the gap in educational outcomes between rural and remote students and metropolitan students.</p> |
| Out of school hours care | <p>Out of School Hours Care (OSHC) services are designed to offer a stimulating and challenging environment for primary school children outside of normal school hours. These services support families to balance the competing priorities of employment, family and education. In April 2019, the NSW Government announced \$120 million to expand access to, and reduce the costs of OSHC. This funding includes \$50.0 million for new equipment and facility expansions and \$40.0 million for rental subsidies to service providers. This audit will consider how the Department of Education supports accessible, affordable and quality OSHC services.</p> |

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, state-wide health services – such as Ambulance – and shared services.



PLANNED AUDITS TO 2020–21

| Topic focus area | Brief overview |
|---|--|
| <p>Provision of health services in custodial settings</p> | <p>The Justice Health and Forensic Mental Health Network delivers health care to adults and young people in contact with the forensic mental health and criminal justice systems. The Network supports a highly vulnerable patient population across community, inpatient and custodial settings. Its patients can include people with many and complex health needs and significant increases in the adult custodial population may have placed additional demands on the delivery of health services. This audit may look at planning to adequately service increased prisoner numbers, cross agency collaboration and preventive care approaches.</p> |
| <p>Security and privacy of patient information</p> | <p>Local Health Districts manage large volumes of private patient information and have their own systems for data management with differing approaches to data protection. Clinicians in busy hospital environments require timely access to data and systems to effectively treat patients. Increased accessibility may in turn increase the risk of poor data and system security practices. Recent experience in other jurisdictions has also demonstrated that operational assets that are controlled using technology may be a target for cyber-attacks. This audit could assess how effectively NSW Health is ensuring the privacy and security of patient data.</p> |

PLANNED AUDITS 2021–22 TO 2022–23

| Topic focus area | Brief overview |
|---|--|
| Health workforce planning | Workforce planning has the potential to influence the effectiveness of the entire NSW hospital system. Governments are responsible to ensure 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. In the context of large scale hospital infrastructure projects underway across NSW, NSW Health needs assurance that nurse and medical staff are sufficient in numbers and appropriately qualified to service the current and future requirements. |
| Value-based health care | In NSW, value-based healthcare aims to deliver care that improves health outcomes that matter to patients, experiences of receiving care, experiences of providing care and the effectiveness and efficiency of care. NSW Health is progressively implementing value-based healthcare by piloting, scaling and embedding state-wide priority programs and developing a range of system wide enablers including the Leading Better Value Care, Integrated Care and Commissioning for better value programs. This audit could assess how effectively NSW Health are implementing value-based healthcare. |
| Paediatric and early childhood specialist services capability | Child Development Units (CDUs) provide tertiary multidisciplinary diagnosis and assessment of children requiring paediatric health interventions. Publicly-funded paediatric health assessment services are limited in NSW and service wait times are extensive. Long wait times disproportionately impact on children in the earliest phases of life and add to economic costs over the lifetime. Health and learning outcomes are compromised by lack of timely intervention and timeframes for effective interventions may pass. Specialist reports are required for NDIS eligibility. Families lacking funds to access private specialist services are disadvantaged in accessing service support. This audit could assess wait times and capability of public paediatric services to provide diagnosis for timely interventions and access to NDIS support. |
| Enhancing community-based healthcare | NSW Health has identified the need to shift the focus of healthcare from high cost hospital-based care to community-based preventative healthcare as well as increasingly providing care using technology. NSW Health has identified actions to achieve this goal including improved service integration amongst community health service providers and enhanced access to and availability of preventative community-based care. This audit could consider NSW Health's actions to enhance community care through coordination and integration of community care with primary health networks and non-government providers, as well as actions to enhance community-based health capital works, the use of telehealth and other virtual care models and community workforce planning. |

PLANNED AUDITS 2021–22 TO 2022–23

| Topic focus area | Brief overview |
|--|---|
| Place-based responses to crystal methamphetamine ('Ice') use | The NSW Government established the Special Commission of Inquiry into the drug 'Ice' in November 2018. In response to the Commission's report, the NSW Government is investing \$231 million in 2019–20 on preventing and treating harms associated with the drug, and ensuring people have access to the care and support they need. This audit may assess workforce capability, the effectiveness of service coordination, and the timely service responses of responsible government agencies. As a place-based audit, we will focus on one or more towns or cities and take into consideration NSW Health services along with services provided by the Department of Communities and Justice. |
| Ambulance superstations | The Sydney Ambulance Metropolitan Infrastructure Strategy is a \$184 million program that aims to reshape NSW Ambulance's operations in metropolitan Sydney, transforming the majority of the 43 ambulance stations in the area into a network of NSW Ambulance superstations, supported by smaller, standby stations called Paramedic Response Points. The creation of ambulance superstations has the potential to have significant impacts on the emergency services workforce and on the provision of ambulance services in NSW. This audit could consider how effectively NSW Health has implemented the Strategy and whether expected benefits of the program have been realised. |

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 2020–21

| Topic focus area | Brief overview |
|---|---|
| Responses to homelessness | Efforts to address homelessness in NSW are guided by the NSW Homelessness Strategy 2018-23. This Strategy aims to facilitate collaboration between the Government sector, non-government organisations and the community to reduce the impact of homelessness on individuals and improve outcomes for people and families. The 2018–19 Budget commits \$1.0 billion for homelessness services over the next four years. Under the NSW COVID-19 Stage 2 stimulus, the NSW Government announced a further \$34.0 million in funding to prevent homelessness. This audit will consider whether actions in the Strategy are effectively implemented and producing outcomes in reducing homelessness and whether the department’s response to COVID-19 for people experiencing homelessness was effective. |
| Implementation of public inquiry recommendations (Stronger Communities and selected agencies) | There are many public inquiries and reviews into the government’s policy decisions and administration every year. Key sources of public inquiries and reviews include parliamentary committees, the Coroner, the Ombudsman, ICAC, the Law Enforcement Conduct Commission and the Auditor-General. Other sources include statutory reviews of legislation, other reviews that the government has elected to make public and, more infrequently, special commissions of inquiry and royal commissions. This audit will assess the effectiveness of processes used by agencies to monitor and implement public inquiry recommendations with a focus on emergency and disaster response. |
| Domestic and family violence | The NSW Government included reducing domestic and family violence reoffending as a Premier’s Priority in 2015. The 2016–17 Budget announced \$300 million over four years for early intervention programs, crisis responses, and new approaches intended to change perpetrator behaviour. This audit may consider whether agency responses are effectively responding to domestic and family violence and may be undertaken as a series of audits looking at how different interventions are delivered and coordinated. |

PLANNED AUDITS 2021–22 TO 2022–23

| Topic focus area | Brief overview |
|---|--|
| Predictive policing – Suspect Target Management Plan | NSW Police use data to predict the level of criminality present in locations by analysing socioeconomic factors. This is intended to allow for better allocation of policing resources to prevent crime before it happens. This audit will look at how effectively NSW Police is using data and modelling to identify crime ‘hotspots’ and efficiently allocate resources to reduce crime. The audit could also examine the impact on vulnerable groups or individuals from this approach. |
| Child protection systems | Children and young people deserve to be protected from abuse and neglect and have the best possible start in life. Decreasing the proportion of children and young people re-reported at risk of significant harm by 20 per cent by 2023 is a Premier’s Priority. A range of reforms have been in place since at least 2018 including the Permanency Support Program, NSW Practice Framework and Their Futures Matter, as well as recent Machinery of Government changes bringing FACS together with the Department of Justice to drive a more collaborative approach for better outcomes. This audit may focus on the effectiveness of resourcing and demand modelling capacity and capability of staff access, timeliness and quality of child protection responses and completeness and accuracy of relevant data including ChildStory. |
| NSW Trustee and Guardian | NSW Trustee and Guardian provides financial management services to over 33,000 clients who are unable to manage their own affairs. Our previous reports to Parliament have identified a need to set performance indicators and targets for the cost and quality of the services NSW Trustee and Guardian provides to the community. This audit may consider whether NSW Trustee and Guardian effectively provides trustee and guardianship services to the satisfaction of its clients. |
| Future Directions for Social Housing | The 2016 Future Directions for Social Housing strategy sets out the government’s ten-year vision for social housing. This audit will consider: <ul style="list-style-type: none">• the effectiveness of the monitoring, evaluation and reporting on the progress of the initiatives under the strategy• whether the planning of major social and affordable housing projects is supported by sound evidence to effectively meet the needs of people in housing stress• the effectiveness of the transfer of housing to community providers and the governance surrounding these arrangements (follow up of 2015 audit). |

PLANNED AUDITS 2021–22 TO 2022–23

| Topic focus area | Brief overview |
|--|---|
| Access to legal aid and community legal services | Legal Aid NSW and non-government community legal services (CLCs) provide legal assistance services across New South Wales to socially and economically disadvantaged people to improve access to justice and help people break the cycle of disadvantage. Legal Aid NSW operates through a network of 24 offices and 235 regular outreach locations. In August 2018, the NSW Government announced an increase in funding available for CLCs, with annual contributions expected to increase to \$12.0 million per annum from 2019–20. This audit will consider how accessible these services are and how effectively they are prioritising their services. |
| Aboriginal outcomes strategy | The Aboriginal Outcomes Strategy 2017–2021 sets out the Family and Community Services strategy to deliver outcomes for Aboriginal people and is identified as a key action in the FACS Strategic Plan 2017–2021. Priorities include increased access to early intervention for Aboriginal families, reduced overrepresentation of Aboriginal children and young people in out of home care, improved economic and social outcomes for Aboriginal social housing clients, increased number of Aboriginal staff and increased engagement with disability services. This audit will consider whether the department is effectively targeting programs to help Aboriginal people and if outcomes are improving. |
| Managing offenders in the community | The number of offenders on community based orders increased from around 16,500 in 2012–13 to over 19,100 in 2017–18. NSW Government reforms in September 2018 changed the way that community orders are organised, reducing the previous six orders to three. This audit may look at planning to cater for expected increases in the number of offenders under supervision in the community and may follow on from our work examining responses to growth in the prisoner population. |
| Community services portfolio management | This performance audit would take a broad view of how programs and services are targeted within the Community Services portfolio. This could include an examination of service mapping and other evidence for DCJ decisions on service planning, funding and delivery with a focus on evaluation and data to drive decommissioning and reprioritisation. |

The Transport cluster plans and delivers infrastructure and integrated services across all modes of transport, including road, rail, bus, ferry, light rail, 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.



PLANNED AUDITS TO 2020-21

| Topic focus area | Brief overview |
|------------------------------------|--|
| Public transport in regional areas | People living in many regional areas of New South Wales have few or no public transport options, with many relying on taxis and buses servicing small areas. Residents who want to participate in employment, education, recreation or access health services outside their areas must use private vehicles. This limits the mobility and opportunities of many people who do not have access to private vehicles. As part of its Future Transport 2056 strategy the NSW Government has trialled some innovative models including on-demand services and regional Connected and Automated Vehicles (CAV). It is also providing transport subsidies for eligible people in regional areas. This audit will consider the availability, affordability and accessibility of modes of transport for people in regional areas. |
| Road and rail freight strategy | Freight is a critical component of the New South Wales economy. It is currently estimated to be worth nearly \$66.0 billion a year to the economy. The economic growth and prosperity of New South Wales depends on the safe, efficient and reliable movement of goods. The NSW Government Future Transport 2056 strategy estimates that by 2056, 12 million people will live in New South Wales, and freight volumes will double in the Greater Sydney area and increase by 25 per cent in regional NSW. This audit will assess the effectiveness of NSW's freight strategy in building capacity to meet population growth and corresponding demand in freight tonnage. |

PLANNED AUDITS 2021–22 TO 2022–23

| Topic focus area | Brief overview |
|---|--|
| Use of data in transport demand modelling and customer data | NSW's transport system relies on accurate data to ensure it runs effectively and to the satisfaction of its customers. Reliable data are also needed to ensure that future transport needs are identified, to ensure that infrastructure and service planning can take place. This audit may examine how effectively and efficiently Transport for NSW collects, analyses and uses relevant data for its operations and/or future transport modelling. |
| Sydney Metro | <p>Sydney Metro is Australia's biggest public transport project. From the north west, metro rail is being extended under Sydney Harbour, through new underground city stations and beyond to the south west.</p> <p>This audit may consider whether:</p> <ul style="list-style-type: none"> • the Sydney Metro was effectively planned and managed • benefits are being realised • transport entities have the required capability and capacity to deliver a project on this scale. |
| Road asset maintenance (also in selected local councils) | NSW 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 audit on Regional Road Funding and our 2018 audit on Road Maintenance Contracts. The audit may consider how effectively and efficiently Transport for NSW and local councils plan for, and manage, their road assets including maintenance activities, rehabilitation and rebuilding roads at the end of their useful life. |
| Road safety | In 2018, NSW had 4.8 (4.99 in 2017) road deaths per 100,000 population. This is well down from the peak of 28.9 in 1970, but above the low of 4.1 in 2014. This audit will consider whether selected road safety initiatives are effectively reducing death and injury on NSW roads. It may also consider planning and preparedness for significant future changes, such as driverless cars. |
| Unsolicited proposals in transport | Significant transport infrastructure projects can attract unsolicited proposals from private sector entities to combine transport development with other precinct or place-based development opportunities. The Audit Office has previously conducted two performance audits related to Unsolicited Proposals (Managing Unsolicited Proposals in NSW, 2016 and NorthConnex, 2017). This audit may consider the unsolicited proposal from Macquarie Group Limited to deliver the Sydney Metro Martin Place integrated station development. The Auditor-General may also consider other unsolicited proposals for inclusion in this audit closer to the commencement of this work. |

PLANNED AUDITS 2021–22 TO 2022–23

| Topic focus area | Brief overview |
|---|---|
| Privatisation of services | In New South Wales, Transport for NSW contracts private companies to operate some public transport services. This performance audit will consider Transport for NSW's approach to the privatisation of particular transport modes. It may assess whether the goals of privatisation were well defined and whether benefits were realised. |
| Natural disaster preparedness and responses | Many 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 can impact directly on transport infrastructure as well as affecting local communities and the economy. This audit will consider how effectively Transport for NSW applies this funding to prepare for, respond to, and recover from natural disaster events. |
| Transport's environmental focus | The former Roads and Maritime Services released an Environmental Sustainability Strategy 2019–2023, which outlined focus areas to address the most important environmental and sustainability issues associated with its activities. It also identifies how targets and measures for each focus area. This audit may consider how effectively and efficiently TfNSW is achieving the objectives of the Strategy and identify lessons learned for other government agencies who are developing similar strategies. |

The Planning, Industry and Environment cluster is responsible for improving the liveability, prosperity and sustainability of the State. The clusters include the security and affordability of water and energy, building sustainable communities with adequate public spaces, job creation and industry development, and environmental conservation.



PLANNED AUDITS TO 2020-21

| Topic focus area | Brief overview |
|---|--|
| Aboriginal land claims | <p><i>The Aboriginal Land Rights Act 1983</i> is important legislation that recognises the rights of Aboriginal people in NSW. The legislation recognises that land in NSW was traditionally owned and occupied by Aboriginal people, and is of spiritual, social, cultural and economic importance. The Department of Planning, Industry and Environment is responsible for investigating Aboriginal land claims against statutory criteria outlined in the Act. Crown land that is not being lawfully used or occupied, is not needed for an essential public purpose and is not impacted by Native Title can be granted through this process. Publicly available data indicate there are large numbers of unprocessed claims (over 35,000). This audit may consider the efficiency and effectiveness, including timeliness of Aboriginal land claims.</p> |
| Coordination of agencies in precinct planning (also in selected local councils) | <p>The department coordinates with other entities to develop and deliver precinct plans. These plans aim to deliver 'a planned approach to growth in Sydney, with new homes and jobs located close to public transport, shops and services, while retaining and enhancing a community's character'. New priority precincts were announced in July 2017. This audit will consider how effectively the department coordinates other responsible government entities to deliver on this objective.</p> |
| Implementation of government climate policy | <p>The NSW Government's Climate Change Policy Framework aims to maximise the economic, social and environmental wellbeing of NSW in the context of a changing climate. It states long-term aspirational objectives of achieving net-zero emissions by 2050 and having NSW more resilient to a changing climate. The Framework is due to be reviewed in 2020. This audit could assess specific commitments to change government operations such as implementing emission saving measures in purchasing, asset management and service delivery and implementing climate change risk assessment and mitigation into operations, purchasing, infrastructure and regulatory frameworks. The audit may also consider the use of the Climate Change Fund, how this has been administered and implemented, and whether projects align to the fund's objectives.</p> |

PLANNED AUDITS 2021–22 TO 2022–23

| Topic focus area | Brief overview |
|---|--|
| Governance of a reform area – Planning system acceleration program | Some significant programs of legislative and policy reform are underway in response to recent emergencies in New South Wales. On 3 April 2020, the government announced the planning system acceleration program, designed to 'cut red-tape and fast-track planning processes to keep people in jobs and the construction industry moving throughout the COVID-19 crisis'. The government announced a first tranche of 24 projects for which assessment will be fast-tracked with decisions expected in the next month. An audit into this area could investigate how program goals are identified and monitored, the continuity of adequate controls with the acceleration of the standard planning process and the integrity of the selection process for applications to be fast-tracked. |
| Threatened species protection | There are more than 980 threatened species and over 100 threatened ecological communities in NSW. The department administers key pieces of legislation that identify and protect threatened species, populations and ecological communities. The department also invests in programs such as the \$100 million Saving our Species program and the NSW Koala Strategy. Pests and weeds, climate change and habitat loss are some of the key threatening processes facing native plants and animals. This audit may consider the effectiveness of a suite of regulatory and program activities, in terms of how well they are designed, resourced, delivered and monitored towards achieving the intended outcomes. |
| Property transactions | The proceeds from the sale of property assets provide an important source of revenue through which governments can fund important programs and services. It is important that they be conducted in accordance with relevant processes and guidelines and that the sale or lease of publicly owned property achieves optimum value. This audit may consider how effectively a selection of transactions has been conducted. |
| Biodiversity offsets | The Biodiversity Offsets Scheme intends to create a transparent, consistent and scientifically based approach to biodiversity assessment and offsetting for development that is likely to have a significant impact on biodiversity. This audit may examine the effectiveness of the scheme's design and implementation and examine issues such as whether the scheme is trading 'like for like', the management of 'in-perpetuity' agreements and the management of conflicts of interest. |
| Water management and regulation | Water regulation, including licensing and water sharing plans, aim to achieve sustainable environmental, economic and social outcomes from the management of water resources. Reforms have been made to strengthen regulation, compliance and enforcement. This audit may examine how well the department has undertaken requirements under the <i>Water Management Act 2000</i> , responded to and implemented the recommendations from reviews into water licencing, regulation and theft. We plan to conduct this piece of work as part of a multivolume series on the theme of water. |

The Regional NSW Cluster was established in early 2020, and is charged with coordinating support for the people, businesses and farmers in regional areas. It will deliver recent bushfire and COVID-19 stimulus, and industry recovery packages, along with the NSW Government's drought initiatives, the \$1.7 billion Regional Growth Fund, and the \$4.2 billion Snowy Hydro Legacy Fund.



PLANNED AUDITS TO 2020-21

Topic focus area

Brief overview

Investment in regional development

In 2017, the NSW Government announced a Regional Development Framework which provides a scaffold for better coordination, decision making and effort on the ground. The NSW Government recognised the need to be more strategic and better coordinated if it is to make a difference, particularly in addressing some of the serious issues facing regional NSW such as pockets of youth unemployment, social disadvantage, changing economic opportunities and increased competition. This audit will consider whether regional development and grant programs are well coordinated and delivering improvements. Grants programs of interest include Regional NSW's growth and infrastructure funds, such as the Snowy Hydro Legacy Fund, and funds for tourism, jobs and community amenity. It may be performed as a standalone topic or as part of a place-based audit and may also consider the role of the Department of Planning, Industry and Environment.

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 2020–21

| Topic focus area | Brief overview |
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| Business continuity and disaster recovery planning (selected NSW Government agencies and local councils) | <p>Business continuity and disaster recovery planning assists organisations to prepare for and ensure they can respond to an incident or crisis. This includes natural disasters and pandemic events like COVID-19. Ideally, business continuity plans would ensure organisations are prepared to respond effectively to the impact of incidents or crises on a wide range of areas including service delivery, safety and availability of staff, availability of IT and other systems, financial management and governance.</p> <p>This audit will examine the effectiveness of business continuity planning processes in a selection of local councils in preparing these organisations for recent emergency events.</p> |
| Council annual charges | <p>New South Wales has a lot of councils providing similar services to the community, such as domestic waste and stormwater management services. However, the charges for these common services vary greatly between councils. This audit could examine selected common charges across a number of councils to understand what is driving the variability in charges.</p> |
| Coordination of agencies in precinct planning (also in Planning, Industry and Environment) | <p>The department coordinates with other entities to develop and deliver precinct plans. These plans aim to deliver 'a planned approach to growth in Sydney, with new homes and jobs located close to public transport, shops and services, while retaining and enhancing a community's character'. New priority precincts were announced in July 2017. This audit will consider how effectively the department coordinates other responsible government entities to deliver on this objective.</p> |

PLANNED AUDITS 2021–22 TO 2022–23

| Topic focus area | Brief overview |
|---|--|
| Cybersecurity | The increasing global interconnectivity between computer networks has dramatically increased the risk of cybersecurity 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 cybersecurity measures in place. |
| City Deals (Premier and Cabinet, Treasury and selected local councils) | This audit will involve the Department of Premier and Cabinet, NSW Treasury and the eight local councils that are partners to the Western Sydney City Deal. City Deals are partnerships between three levels of government to pursue common infrastructure or social policy goals. Currently, there is one City Deal in NSW: The Western Sydney City Deal which was signed in March 2018. It is a partnership between the Australian Government, NSW Government, and Blue Mountains, Camden, Campbelltown, Fairfield, Hawkesbury, Liverpool, Penrith and Wollondilly local councils. A formal review of the Western Sydney City Deal is due in 2021. This audit would consider the NSW Government's and local councils' role in contributing to the planning and implementation process. |
| Road asset maintenance (selected local councils and Transport) | NSW 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 audit on Regional Road Funding and our 2018 audit on Road Maintenance Contracts. The audit may consider how effectively and efficiently Transport for NSW and local councils plan for, and manage, their road assets including maintenance activities, rehabilitation and rebuilding roads at the end of their useful life. |
| Development assessment process in local councils: assessment stage | The development assessment process is used to assess formal applications for development that require consent under the <i>NSW Environmental Planning and Assessment Act 1979</i> . Applications are usually lodged with the relevant local council for processing and determination. Guidance from the NSW Department of Planning, Industry and Environment (DPIE) describes the development assessment process in five stages: pre-lodgement, lodgement, assessment, determination and issuing construction certificates. In 2018–19, we completed an audit that focused on the 'pre-lodgement' and 'lodgement' stages of the development assessment process at two local councils. This audit could assess the extent to which the 'assessment' stage at selected local councils aligns with relevant legislation and relevant guidance from DPIE and the Independent Commission Against Corruption. |

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Level 19, Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000 Australia

PHONE +61 2 9275 7100

FAX +61 2 9275 7200

mail@audit.nsw.gov.au

Office hours: 8.30am-5.00pm,
Monday to Friday.

audit.nsw.gov.au