
Appendix five – About the audit

Audit objective

This audit assessed the effectiveness of the governance and partnership arrangements in place to enable an evidence-based early intervention investment approach for vulnerable children and families in NSW.

Audit criteria

We addressed the audit objective through the following audit questions and criteria:

1. The TFM reform was driven by effective governance arrangements.
 - a) The TFM Implementation Board and Stronger Communities Investment Unit (SCIU) had the capability, capacity and 'authorising environment' to deliver the government's reform agenda.
 - b) TFM governance arrangements reflected good practice, with clear roles and responsibilities and effective processes for decision making.
 - c) TFM governance arrangements included appropriate powers and controls to govern cross-agency decisions to direct funding to evidence-based supports.
2. The TFM reform was supported by effective cross-agency collaboration.
 - a) TFM governance and funding arrangements supported cross-agency collaboration and shared decision making.
 - b) The Stronger Communities Investment Unit identified and supported the contribution of each partner agency; and had strategies to address factors that prevent cross-agency collaboration.
 - c) TFM facilitated effective collaboration between agencies to develop the evidence base, and to agree options for re-prioritisation and investment.
3. The TFM reform has generated an evidence base to inform a cross-agency investment approach in the future.
 - a) TFM had measures, data, monitoring, evaluation and reporting that will effectively and accurately demonstrate the achievement of expected outcomes.
 - b) The Stronger Communities Investment Unit engaged with partner agencies and service providers regarding data on evidence-based practice.
 - c) TFM had a sound methodology for reviewing programs to inform expansion, re-prioritisation or new investment based on outcomes evidence; and this is applied in practice.

Audit scope and focus

In assessing the criteria, we checked the following aspects:

1. the governance arrangements of the reform, including:
 - a) the TFM Implementation Board
 - b) the Executive Director and Chief Financial Officer Working Group
 - c) any other working group or sub-committee
 - d) the joint funding pool
2. previous reviews or evaluations of the reform, its pilot programs and agency programs to support vulnerable children and families
3. how TFM is building its evidence base and using it to invest in evidence-based early intervention programs.

Audit exclusions

The audit did not assess the:

- planning, funding, performance and outcomes of agency programs
- merits of government policy.

Audit approach

Our procedures included:

1. Interviewing:
 - members of the TFM Implementation Board and any working groups to support the reform
 - staff from the Stronger Communities Investment Unit
 - staff from partnering agencies, external service providers, funded services sector organisations and peak bodies and advocates for vulnerable children and families.
2. Examining:
 - relevant Cabinet material on the establishment and development of the TFM reform
 - strategies and initiatives relating to the TFM reform
 - charters, relevant papers and minutes for the TFM Implementation Board and any other working group formed to assist with the implementation of the reform
 - previous reviews of TFM's governance, and any actions taken to address all relevant recommendations
 - terms of reference for any anticipated reviews relating to the TFM reform
 - plans for any TFM approved pilot projects
 - TFM's framework for conducting outcomes-based evaluations of its pilot programs
 - any evaluations or progress reports from TFM's pilot programs
 - the evaluation framework used to assess programs identified for the TFM funding pool
 - documentation relating to evaluation and evidence base approach for selecting and prioritising investment
 - decision papers relating to the re-prioritisation of funding.
3. Analysing:
 - data collated to support the establishment, and scale up, of pilot programs
 - data collated to support the contributions and distribution of the funding pool.

The audit approach was complemented by quality assurance processes within the Audit Office to ensure compliance with professional standards.

Audit methodology

Our performance audit methodology is designed to satisfy Australian Audit Standard ASAE 3500 Performance Engagements and other professional standards. The standards require the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective. Our processes have also been designed to comply with requirements specified in the *Public Finance and Audit Act 1983* and the *Local Government Act 1993*.

Acknowledgements

We gratefully acknowledge the co-operation and assistance provided by the Department of Communities and Justice throughout the audit. We would also like to thank staff at relevant partner agencies and other stakeholders who met with us to discuss the audit.

Audit cost

The estimated cost of this audit including overheads is \$410,000.