

Appendix C: Audit scope and method

Scope of this audit

Our audit objective

To determine the costs associated with securing, planning for and exiting from the 2026 Commonwealth Games and assess the quality of relevant advice to the government.

Assessing performance

To form our conclusion against our objective we used the used the following lines of inquiry and associated evaluation criteria:

Line of inquiry	Criteria
1. What are the actual costs to date and likely expected total costs to Victoria?	1.1 The costs of bidding, planning and preparing for, and closing out the state's involvement in hosting the Games have been comprehensively and reliably measured, recorded, tracked and reported.
	1.2 The financial risks to the state associated with exiting from the Games contract have been identified and managed.
	1.3 Public communication and reporting on relevant estimated, actual and expected final costs have been accurate and fairly presented.
2. Was advice provided by relevant departments and agencies that informed key government decisions on securing, planning, preparing for and withdrawing from the Games hosting arrangements timely, full, frank and impartial?	2.1 Advice provided to the government conformed to the requirements of the <i>Financial Management Act 1994</i> , the <i>Public Administration Act 2004</i> and <i>Code of Conduct for Victorian Public Sector Employees</i> .
	2.2 A comprehensive business case and sound budget for the Games was developed and approved covering delivery options and their feasibility, financial and operational risks and expected whole-of-state costs and revenues.
	2.3 The conceptual basis for determining, capturing and reporting Games costs was appropriate and applied consistently over time.
	2.4 The reasons for significant movements in budgeted costs and income were clearly identified and justified and updated budgets were approved.
	2.5 Comprehensive advice was provided to the government on the proposed approach to withdrawing from the Games, including on settlement terms and related costs and risks.

To answer these questions we examined the 7 public sector agencies and 5 local councils involved in the Games.

What we examined

This engagement focused on the actual and expected costs for planning, securing and exiting from the Games and the quality of advice that departments provided to the government, primarily on the expected net cost of the Games.

Our methods

As part of the audit we:

- analysed documentation related to the Games held by audited agencies, including:
 - planning documents
 - submissions considered by Cabinet committees and Cabinet decision extracts
 - correspondence between public officials
 - relevant business cases and delivery cases
 - interviewed officials from audited agencies, DJSIR's former secretary and the former Minister for Tourism, Sport and Major Events
 - reviewed self-reported estimates of costs to date and expected costs related to the Games.
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Compliance

We conducted our audit in accordance with the *Audit Act 1994* and ASAE 3500 *Performance Engagements* to obtain reasonable assurance to provide a basis for our conclusion.

We complied with the independence and other relevant ethical requirements related to assurance engagements.

Unless otherwise indicated, any individuals named in this report are not the subject of adverse comment or opinion.

Cost and time

The full cost of the audit/review and preparation of this report was \$780 000.

The duration of the audit/review was 8 months from initiation to tabling.
