

Appendix C: Audit scope and method

Scope of this audit

Who we examined

We examined the following agencies:

Agency	Their key roles and responsibilities related to SSRs as the Framework describes them
DPC	<ul style="list-style-type: none"> Plays a pivotal role in managing SSRs through coordinating the Cabinet process Supports the Premier on government-wide issues and on their portfolio ministerial responsibilities
DTF	<ul style="list-style-type: none"> Advises the government on policies relating to risk management and insurance. DTF is responsible for maintaining and updating the Framework to make sure that it continues to be aligned with best practice Monitors compliance with Ministerial Standing Direction 3.7.1 through the annual attestation process and provides additional guidance on the DTF website Serves as the Risk Committee's secretariat
The Insurance Authority	<ul style="list-style-type: none"> Provides advice to the Victorian public sector Has a support role to play in the implementation of the Framework through assisting agencies with technical expertise and advice on risk management best practice and standards Has responsibilities in relation to public sector agencies, including: <ul style="list-style-type: none"> assisting to establish programs to identify, quantify and manage risks monitoring risk management maturity and capability providing risk management advice and training advising the government on risk management acting as an insurer Guides and supports agencies to apply the Framework by providing risk guidelines, training and support and risk maturity assessments
All 10 departments: <ul style="list-style-type: none"> DE DEECA DFFH DGS DH DJCS DJSIR DPC DTF DTP 	<ul style="list-style-type: none"> Must have a risk management framework in place consistent with the Risk Standard. They must annually review it to ensure it remains current and is enhanced, as required Must contribute to identifying and managing SSRs, as appropriate For DTF and DPC, this is in addition to their central agency roles listed above

Our audit objective

To determine if:

- agencies are working collaboratively to identify and manage SSRs
- DTF provides confidence to the Assistant Treasurer and Treasurer on how well agencies manage these risks.

This expands on the description we included in our *Annual Plan 2023–24*, by specifying DTF's central agency responsibilities under the 2018 Directions to advise the Assistant Treasurer and Treasurer.

What we examined

We examined whether:

- DTF has designed the Framework to be fit for purpose for SSRs
- agencies are providing their relevant ministers the information they need on SSRs
- agencies are effectively identifying and managing SSRs.

Conducting this audit

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. Does DTF make sure that the Framework is fit for purpose for managing SSRs?	1.1 The Framework 2020 adopts the Risk Standard.
	1.2 The Framework is designed to provide confidence to government and the community that SSRs are being managed and there is a clear line of sight over them.
	1.3 DTF meets the expectations set out for it under the 2018 Directions Section 2.3.6 a, and b.
2. Does DTF advise the Treasurer and Assistant Treasurer, as the 2018 Directions require, with respect to risks including SSRs?	2.1 DTF meets the expectations set out for it under the 2018 Directions Section 2.3.6 a, and b.
3. Do agencies work collaboratively to identify and prioritise SSRs and implement strategies to manage these risks within acceptable levels?	3.1 Agencies meet the expectations of the Framework to identify and manage SSRs.
	3.2 The Risk Committee is operating in accordance with Framework expectations.
	3.3 The Insurance Authority advises the state and assists agencies in accordance with the Insurance Authority Act with regards to SSRs.
	3.4 The Secretaries' Board meets the expectations of the Framework to oversee SSRs and support effective collaboration.

Our methods

As part of the audit we:

- reviewed and analysed documentation, including data from the 10 departments and the Insurance Authority
- interviewed key officers and staff.

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.

Cost and time

The full cost of the audit and preparation of this report was \$675,000.

The duration of the audit was 11 months from initiation to tabling.
