

Appendix C:

Audit scope and method

Scope of this audit

Who we examined

We examined the following agencies:

Agency	Their key responsibilities
DE, DFFH, DH, DJCS	<ul style="list-style-type: none"> Design and deliver EIFF-funded initiatives for their respective service areas Develop EIFF submissions, outcome measures and savings estimates Report annually to DTF on performance
DTF	Administers the EIFF, including: <ul style="list-style-type: none"> issuing guidance assessing EIFF submissions advising the government on funding decisions managing the clearinghouse and budget reductions set by the government reporting EIFF outcomes

Our audit objective

Does the implementation of the EIFF enable evidence-based investment decisions?

What we examined

We examined whether the EIFF supports evidence-based decisions by government, including:

- DTF's guidance, assessment, and advice processes
- departments' development and reporting of outcome measures and savings estimates.

Aspects of performance examined

Our mandate for performance audits and reviews includes the assessment of economy, effectiveness, efficiency and compliance (often referred to as the '3Es + C').

In this audit we focused on the following aspects:

Economy	Effectiveness	Efficiency	Compliance
○	●	○	○

Key:

- Primary focus
- Secondary focus
- Not assessed

Conducting this audit

Assessing performance To form a conclusion against our objective we used the following lines of inquiry and associated evaluation criteria.

Line of inquiry	Criteria
1. Does DTF provide and consistently apply the EIFF guidance and process to support evidence-based submissions and advice to the government?	1.1 DTF's guidance clearly sets out how departments should define and report on outcome measures and estimated savings.
	1.2 DTF consistently applies a defined and comprehensive process to assess EIFF submissions and reporting to inform advice to the government.
2. Is department reporting on EIFF initiatives comprehensive and evidence-based?	2.1 Department reporting to DTF on initiatives is complete, accurate and timely, and includes outcome measures that can be assessed in the future.

Our methods As part of the audit we:

- reviewed EIFF guidance and submissions
- analysed clearinghouse records and savings modelling
- reviewed annual EIFF outcomes reports and supporting data
- analysed outcomes reporting trends
- tested samples of initiatives, outcome measures and savings estimates
- interviewed staff from DTF and audited departments
- corroborated interview evidence with documentary and data sources.

Level of assurance

In an assurance review, we primarily rely on the agency's representations and internally generated information to form our conclusions. By contrast, in a performance audit, we typically gather evidence from an array of internal and external sources, which we analyse and substantiate using various methods. Therefore, an assurance review obtains a lower level of assurance than a performance audit (meaning we have slightly less confidence in the accuracy of our conclusion).

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.

We also provided a copy of the report to the Department of Premier and Cabinet.

Cost and time The full cost of the audit and preparation of this report was \$711,000.

The duration of the audit was 10 months from initiation to tabling.