

Appendix C:

Audit scope and method

Scope of this audit

Who we examined

We examined the following agencies:

Agency	Their key responsibilities
Department of Energy, Environment and Climate Action	Providing strategic leadership, oversight and regulation of the waste and recycling sector to support circular economy objectives
EPA	<ul style="list-style-type: none"> Regulating the waste and recycling sector to prevent harm from pollution and waste Collecting waste levies
Sustainability Victoria	<ul style="list-style-type: none"> Supporting Victoria's transition to a circular economy through statewide education programs Administering grants and investment for industry, business, local government and community organisations
Victorian Infrastructure Delivery Authority	Delivering Victoria's transport and health infrastructure programs

Our audit objective

Is Victoria on track to achieve its recycling targets?

What we examined

We examined how the department and other audited agencies are:

- increasing Victoria's recycling capacity through their programs
- managing service continuity risks in the waste and recycling sector
- using data to track progress towards the recycling targets
- facilitating industry investment in the waste and recycling sector.

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 line of inquiry and associated evaluation criteria.

Line of inquiry	Criteria
1. Are relevant agencies implementing the 'recycle' policy goal as intended?	1.1 Relevant agencies are implementing key commitments and actions related to the 'recycle' goal in the circular economy policy as planned.
	1.2 The key commitments and actions related to the 'recycling' goal are contributing to Victoria achieving the relevant targets (1, 3 and 4) in the circular economy policy.
	1.3 Reliable information about waste flows and recycling capacity in Victoria has informed the implementation of key commitments and actions under the 'recycle' goal.
	1.4 The Circular Economy Portfolio Coordination Group coordinates and monitors activities and targets under the 'recycle' goal and informs the Minister for Environment about progress.

Our methods As part of the audit we:

- reviewed relevant policies, plans, guidelines and reports related to agencies' programs
- reviewed a sample of responsible entity risk plans
- interviewed key Recycling Victoria staff on their data collection and usage methods
- analysed the department's target progress calculation/waste flow projection data.

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 and the Department of Treasury and Finance.

Cost and time The full cost of the audit and preparation of this report was \$555,000.

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