

B. Audit scope and methods

Performance engagement

This audit has been performed in accordance with the *Auditor-General Auditing Standards – December 2019* and the Standard on Assurance Engagements ASAE 3500 *Performance Engagements*, issued by the Auditing and Assurance Standards Board. This standard establishes mandatory requirements and provides explanatory guidance for undertaking and reporting on performance engagements.

The conclusions in our report provide reasonable assurance that the objectives of our audit have been achieved. Our objectives and criteria are set out below.

Audit objective and scope

The objective of the audit is to assess how effectively government entities manage contracts for the delivery of new infrastructure.

The audit addressed the objective through the following sub-objectives:

- How effective are contract management frameworks, guidelines, and processes in supporting robust contract management practices?
- How effectively are government entities applying the contract management frameworks, guidelines, and processes to manage infrastructure contracts?

To assess the process of how the audited entities manage their infrastructure contracts, we selected a sample of 6 projects. We considered a range of factors in selecting the sample, including that there is appropriate coverage of:

- different project delivery teams
- types of infrastructure projects
- geographical location of the projects
- project values and risks
- projects with different status.

Our findings related to these selected projects are not necessarily indicative of the departments' performance in managing all infrastructure projects.

Entities subject to this audit

- Department of Energy and Public Works
- Department of Education
- Queensland Corrective Services

Since Queensland Corrective Services mainly uses the Department of Energy and Public Works to manage its infrastructure contracts, we only assessed the Queensland Corrective Services in terms of it overseeing and managing its projects being delivered by the Department of Energy and Public Works. It is not mentioned by name in the report itself.



While planning for this audit, we considered including the Department of Transport and Main Roads in scope. It is the lead agency for the transport and services expenditure category and uses different frameworks and systems for managing contracts to those used in the building construction and maintenance category. However, to keep the audit focused and confined, we decided to select only one expenditure category.

We assessed that the audit impact from looking at the building construction and maintenance expenditure category would be higher, since this category covers a broad range of public sector entities delivering infrastructure projects. It could not only provide specific learnings for those entities, but also broader learnings for other public sector entities.

While we did not include the Department of Transport and Main Roads as an in-scope entity, we have engaged with it as a stakeholder during the audit. This was mainly to obtain an understanding of its contract management practices and draw insights where relevant. We also discussed matters on which the in-scope entities had consulted with the Department of Transport and Main Roads, such as providing roadworks and traffic-flow advice on specific projects.

Scope exclusions

The audit focuses on infrastructure projects with a contract in place. It excludes aspects such as contract tendering and negotiation processes. If we have identified through our audit analysis that the root cause of deficiencies or poor contract management was poor contract design, we have reported this.

