

B. Audit scope and methods

Performance engagement

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

The conclusions in our report provide reasonable assurance about the audited entities' performance against the identified criteria. Our objectives and criteria are set out below.

Audit objective and scope

The objective of the audit is to determine if the state budget process is effectively designed and managed by Queensland Treasury and the Department of the Premier and Cabinet to support the government's identified fiscal principles and objectives.

The audit addressed the objectives through the following criteria.

Criteria	
1	Communication and guidance support agencies to develop budget submissions to support the government's objectives.
2	The process of preparing the budget, budget update, and out-of-cycle submissions provides the government with relevant and reliable information to make decisions.
3	Decisions and other information are accurately compiled into the budget and budget update documents.
4	Continuous budget monitoring and reporting informs ongoing budget decisions.

The entities we audited

- Queensland Treasury – responsible for forecasting some revenues, evaluating agency budget submissions, and providing recommendations to the Treasurer and the Cabinet Budget Review Committee (CBRC).
- Department of the Premier and Cabinet – advises the government on policy options, evaluates budget submissions, and administers the *Cabinet Handbook*.

Scope exclusions

Our audit is focused exclusively on the process for preparing the state budget. As is required under the *Auditor-General Act 2009*, our audit did not question the merits of policy objectives of the state government, including:

- a decision of Cabinet
- a direction of a minister
- a policy statement in the budget papers
- a document evidencing a policy decision of Cabinet or a minister.



Our audit does not form any view of whether the government's community objectives, fiscal objectives, or economic plans are appropriate. Additionally, our audit does not provide assurance that financial estimates will be achieved or on the sustainability of the budget, as this is not within the scope of the report. Our audit also did not assess how individual agencies prepare their budgets or forecasts.

We assessed Queensland Treasury's process for estimating some budget revenue and how it evaluates submissions for budget expenditure. However, we do not provide assurance that financial estimates are accurate or will be achieved, as this is not within the scope of the audit.

Audit methods and approach

Our audit covered the 2023–24 budget and 2023–24 budget update. We also covered stand-alone submissions to the Cabinet Budget Review Committee (CBRC) leading up to the 2023–24 budget update. These submissions were made between July 2022 and October 2023.

Field interviews

We conducted interviews with key officials, staff, and stakeholders from:

- Queensland Treasury
- the Department of the Premier and Cabinet
- additional selected public sector entities.

Document review

We obtained and reviewed relevant documents from Queensland Treasury. This included legislation, strategic and operational plans, policies, procedures, guidelines, monitoring reports, feedback, and evaluations.

We reviewed models for estimating revenue from goods and services tax, coal royalties, and payroll tax. This included assessing selected inputs and mathematical calculations. We do not provide assurance that financial estimates are accurate or will be achieved, as this is not within the scope of the audit.

We also reviewed submissions for the budget, budget update, and stand-alone submissions, including assessing information on alignment to government objectives, costings, staffing needs, and consultation. Additionally, we considered how other jurisdictions were undertaking their budget processes.

Data analysis

We analysed data from:

- stand-alone submissions from the Cabinet Secretary
- submissions from BudgetPlus, an online application designed to assist agencies in preparing funding proposals
- revenue models prepared by Queensland Treasury.

