

APPENDIX C

Review scope and method

Scope of this review

Who we examined

We examined the following agencies:

Agency	Their key responsibilities
VicTrack	<p>VicTrack co-developed the FiBridge concept with Xerox and invested out of its own budget to commercialise FiBridge. VicTrack continued to manage the FiBridge project after Eloque was set up.</p> <p>VicTrack's broader role is the owner of Victoria's rail transport land, assets and infrastructure.</p>
DoT	<p>DoT was a customer for FiBridge. It paid Eloque (through VicTrack) to have FiBridge installed on priority state-owned bridges it managed. It also provided engineering and other related support to Eloque during the rollout of the FiBridge project.</p> <p>The Secretary of DoT performed the role of Head, TfV, under whose power the holding company HoldCo was set up.</p> <p>The role of DoT (now DTP) is to plan, build and operate Victoria's transport system. It provides support and advice to transport sector ministers including the Minister for Transport Infrastructure.</p>
Eloque	<p>Eloque was responsible for commercialising FiBridge and for executing its contracts with its stakeholders. It was also responsible for its own operations as a company.</p>
HoldCo	<p>HoldCo is a wholly government-owned holding company. It was responsible for representing the Victorian Government's interest in the Eloque joint venture with Xerox. Its board was responsible for overseeing the government's shareholding in Eloque.</p>

Our review objective

To determine whether VicTrack and DoT's decision to enter into a joint venture arrangement with Xerox was transparent, evidence-based and free from bias.

What we examined

We examined:

- the quality and completeness of the evidence provided to government to support the joint venture
- the governance, oversight, risk control and reporting mechanisms the government used to monitor and support the joint venture.

Conducting this review

Assessing performance

To form our conclusion against our objective we used the following lines of inquiry and associated evaluation criteria:

Line of inquiry	Criteria
1. The process of awarding the joint venture was conducted objectively, supported by evidence and in line with procurement policies and principles.	1.1 The process of awarding the joint venture was conducted objectively, supported by evidence and in line with procurement policies and principles.
	1.2 During the joint venture contract, information about the technology was transparent and proper risk controls were in place.
	1.3 What was the overall cost to the Victorian Government and what was the outcome of the IP development and its availability for future use?
2. The recruitment process for the Eloque CEO position and key decisions made by the Eloque CEO were impartial and unbiased.	2.1 The recruitment process for the Eloque CEO position was impartial and unbiased.
	2.2 Key decisions made by the Eloque CEO were impartial and unbiased.

Our methods

As part of the review we:

- analysed VicTrack's FiBridge project and investment documentation
- reviewed DoT, HoldCo and Eloque documentation
- interviewed key staff and stakeholders, including Mr Rose
- obtained written attestations from stakeholders.

Compliance

We conducted our review in accordance with the *Audit Act 1994* and *ASAE 3500 Performance Engagements* to obtain limited 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.

Unless otherwise indicated, any individuals named in this report are not the subject of adverse comment or opinion.

Cost and time

The full cost of the review and preparation of this report was \$610,000.

The duration of the review was 13 months from initiation to tabling.