

Appendix C:

Audit scope and method

Scope of this audit

Who we examined

We examined the following agency:

Agency	Their key responsibilities
Department of Education	Aims to provide every student in Victoria with equal access to high-quality public education. Through VSBA, the department builds, expands, modernises and maintains government schools across the state.

Our audit objective

Whether VSBA delivers targeted and well-managed school upgrade projects that meet school needs.

What we examined

We examined capital upgrade projects for existing government schools. We did not examine other programs VSBA administers, such as new school builds, planned maintenance programs or other grants for school works.

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. VSBA applies a consistent and transparent process for identifying and recommending school upgrade projects	1.1 VSBA has a robust process for identifying and prioritising investment in school upgrade projects.
	1.2 VSBA's recommendations for school upgrade projects are consistent with its identification and prioritisation process.
	1.3 VSBA clearly communicates budget outcomes for school upgrade projects to schools.
2. VSBA effectively procures and delivers school upgrade projects	2.1 VSBA factors school needs into the design, costing and procurement of school upgrade projects.
	2.2 VSBA's procurement for school upgrade projects is consistent with the <i>Project Development and Construction Management Act 1994</i> .
	2.3 School upgrade project cost overruns are managed transparently and mitigate risk to the government and schools.
	2.4 VSBA's project governance mitigates risk during delivery.
3. VSBA delivers school upgrade projects that meet school needs	3.1 VSBA monitors and evaluates the outcomes of its school upgrade projects to ensure they have met school needs.

Our methods

As part of the audit we:

- examined VSBA's process documentation and project data
- conducted interviews with the department's staff
- reviewed 10 school upgrade project case studies. We selected these as a sample from a statistical cross-section of school upgrade projects. The projects were initially funded from 2018–19 to 2021–22, with work running until 2025 at the latest. The selection was random from a group of school upgrade projects generated from the full set of school upgrade projects, using categories such as school region and type.

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 Department of Treasury and Finance.

Cost and time

The full cost of the audit and preparation of this report was \$620,000.

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