

# Appendix C:

## Review scope and method

### Scope of this review

#### Who we examined

We examined the following entities:

Entity	Key responsibilities
Department of Treasury and Finance	<ul style="list-style-type: none"> <li>Managing the state's Budget and finances, and economic policy and strategy</li> <li>Providing advice on major projects performance to ministers</li> <li>Reporting on capital projects</li> <li>Preparing BP4</li> <li>Overseeing HVHR projects</li> <li>Publishing the <a href="#">Capital Investment Dashboard</a></li> </ul>
Court Services Victoria	Responsible entity (according to the Budget papers) and/or delivery entity for the major projects in our selection
Department of Energy, Environment and Climate Action	
Department of Families, Fairness and Housing	
Department of Health	
Department of Jobs, Skills, Industry and Regions	
Department of Justice and Community Safety	
Department of Transport and Planning	
Geelong Performing Arts Centre Trust	
Homes Victoria	
Kardinia Park Stadium Trust	
Melbourne Arts Precinct Corporation	
Melbourne Water Corporation	
North East Link State Tolling Corporation	
South East Water Corporation	
State Sport Centres Trust	
Suburban Rail Loop Authority	
Victorian Infrastructure Delivery Authority	
Victorian Rail Track	

## Our review objective

To determine whether the information public entities provide Parliament and the community can be used to assess their major projects' performance against expected cost, time, scope and benefits, and the impact of changes to these parameters.

---

## What we examined

We assessed public sector agencies' public and internal reporting on major project performance.

We surveyed agencies responsible for major projects disclosed in the 2024–25 BP4 that have a TEI of \$100 million or more.

We used 3 main steps to confirm whether a major project was in our review's scope:

1. We identified any capital project or program worth \$100 million or more listed in the 2024–25 BP4.
2. Within the capital investments selected from step 1, we identified any ICT project worth \$100 million or more and checked if it had been disclosed in the ICT dashboard maintained by the Department of Government Services. We removed it from our selection if it was being reported.
3. We reviewed the remaining capital investments after steps 1 and 2 and confirmed with the responsible entity listed in the Budget papers whether:
  - the project is complete and disclosed in a responsible entity's annual report (if yes, the project is excluded)
  - it is a land purchase investment but not a specific stage in a project (if yes, exclude)
  - the project is within the water sector and has a value band sign-off by the Treasurer (on DTF's advice) (if yes, include)
  - it is a program of capital works, and if it:
    - has any sub-projects worth \$100 million or more (if yes, include the sub-project)
    - is a distributed project, delivering similar assets to multiple sites (if yes, include)
    - is managed using a central project team (if yes, include)
    - is a rolling asset maintenance and renewal program and/or minor capital works program (if yes, exclude).

There are 2 level crossing removal programs included in scope: '85 by 2025' and 'Twenty-five more level crossing removals by 2030'. Within these programs, there are sub-projects worth \$100 million or more. These sub-projects have been examined as separate major projects. The respective TEI of these sub-projects has been deducted from the overall program's TEI to avoid double counting.

We also selected 10 projects for deeper review in 8 case studies.

---

## Why we conducted this review



This assurance review engagement is our fourth year of focus on the accountability and transparency gaps we previously observed.




This focus is likely to continue each year until public entities provide more meaningful public information about how their major projects are performing.

---

## Performance aspects

Our mandate for performance audits and reviews includes assessing economy, effectiveness, efficiency and compliance. In this review we focused on:

Economy	Effectiveness	Efficiency	Compliance
			

-  Primary focus
-  Secondary focus
-  Not assessed

## Conducting this review

### 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. Assess whether Victoria's public sector transparently reports the performance of major projects against cost, time, scope and benefits.	1.1 DTF and responsible public entities consistently and transparently report major projects performance information to Parliament and the community.
	1.2 Major project performance is meaningfully reported against expected cost, time, scope and benefits, including the impact of any major changes to these parameters.

### Our methods

As part of the review we:

- engaged with in-scope public entities to design the survey
- collected and collated data on major capital projects from DTF and other public sources
- surveyed 15 public sector entities delivering 113 major projects to collect performance data for a public-facing dashboard
- required an accountable officer of each responsible entity or their delegate to attest the survey data's accuracy and correctness
- tested the survey data by following up with some surveyed agencies
- reviewed the surveyed agencies' self-assessment ratings
- analysed the collected data using data analytics software and visualisation tools.

#### Level of assurance

In an assurance review, we rely on the entity's representations and internally generated information to form our conclusions. In a performance audit, we gather evidence from a range of internal and external sources, which we analyse and substantiate using various methods. So, an assurance review has a lower assurance level than a performance audit, which means we have slightly less confidence in our conclusion's accuracy.

### 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.

---

### Cost and time

The full cost of the review and preparation of this report was \$915,000.

The duration of the review was 10.5 months from initiation to tabling.

---