
Appendix two – About the audit

Audit objective

This audit assessed the effectiveness of planning and delivery of new, upgraded and redeveloped schools to meet demand for public education in New South Wales.

Audit criteria

We addressed the audit objective by examining whether the Department of Education:

1. has effective procedures for planning and prioritising school capital works to meet present and future demands
2. develops robust business cases for school capital works that reliably inform decision-making
3. has effective program/project governance and management systems that support delivering projects on-time, within budget and achievement of intended benefits.

Audit scope and focus

This audit focused on SINSW's processes for prioritising, planning and overseeing the delivery of school capital works. We completed a detailed review of a selection of 12 projects managed by SINSW.

Audit exclusions

The audit did not:

- examine state-wide inter-agency strategic planning initiatives for growth, regional, and local government areas
- examine management of New South Wales Government capital funding for non-government schools
- validate the assumptions of service needs analyses
- examine the procurement of architects, design consultants and construction contractors for school capital projects
- examine the management of design and construction contracts for capital projects
- examine asset maintenance systems, programs, policies and procedures
- question the merits of government policies.

Audit approach

Our procedures included:

1. interviewing
 - relevant Department of Education staff
 - key stakeholders
2. examining relevant data and documents, including legislation, policies, strategies, plans, guidelines, reviews and evaluations
3. examining in-depth documents related to a selection of 12 projects managed by SINSW.

We used a judgemental sampling approach to select projects for the in-depth review based on the following criteria:

- location (Sydney and regional New South Wales)
- project type (new school, school upgrade or redevelopment)
- school type (primary and secondary)
- timing (completed projects and projects still being delivered).

The audit approach was complemented by quality assurance processes within the Audit Office to ensure compliance with professional standards.

Audit methodology

Our performance audit methodology is designed to satisfy Australian Audit Standard ASAE 3500 Performance Engagements and other professional standards. The standards require the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective. Our processes have also been designed to comply with requirements specified in the *Public Finance and Audit Act 1983*.

Acknowledgements

We gratefully acknowledge the co-operation and assistance provided by SINSW. In particular, we would like to thank our liaison officers and staff who participated in interviews and provided evidence for the audit.

Audit cost

The estimated cost of the audit is \$350,000.