

## B. How we prepared the audit brief

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### About this audit brief

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The objective of this audit brief is to:

- provide insights into central agency leadership during the November 2020 machinery of government change
- analyse the change management practices for 4 departments that were significantly affected by the change
- assess the effect that restructures have on departments' internal controls (their people, systems, and processes).

### Entities subject to the audit

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We examined the change management processes at 4 departments. These entities are:

- Department of Communities, Housing and Digital Economy
- Department of Energy and Public Works
- Department of Regional Development, Manufacturing and Water
- Department of Resources.

We assessed the maturity of internal controls at the 20 core departments that existed at 30 June 2022.

### Scope and methods

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To provide insights on central agency leadership, we reviewed documents provided by the Public Sector Commission regarding the guidance and support provided to the departments throughout the change. We also analysed the results of the survey of departments' heads of corporate services conducted by the Public Service Commission after the change.

We obtained an understanding of the change management practices applied by 4 departments when implementing the machinery of government changes. In doing this, we:

- conducted interviews with staff from relevant entities to understand their change management processes
- reviewed relevant documents, including transfer forms, action plans, risk registers, policies and procedures for key processes, and performance reports.

We developed a change management maturity model with reference to general change management principles and guidance specific to machinery of government changes published by governments and professionals in Australia and internationally. We assessed the 4 departments' practices against this model.

We reviewed the internal control assessments performed through our annual financial statement audits in 2021–22. Each assessment involved interviews with staff from across the department; inspection of documents including plans, delegations, and policies; and where relevant to our audit, testing of internal controls to ensure they were operating effectively throughout the year. As part of our review, we compared departments significantly impacted by machinery of government changes in recent years (as outlined in [Appendix G](#)) with those that either had no or minor changes.

We have not undertaken a full evaluative audit to examine the efficiency and effectiveness of change management processes at all 17 core departments affected by the restructure.

As a result, we have not provided a conclusion under the auditing standards. Instead, we have analysed available information and presented relevant facts and recommendations.

We performed these audits in accordance with the *Auditor-General Auditing Standards*, incorporating, where relevant, standards on assurance engagements issued by the Auditing and Assurance Standards Board.

