

Procurement and Contract Management of the New Federal Register of Legislation Project

Office of Parliamentary Counsel

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Canberra ACT
15 December 2025

Dear President
Dear Mr Speaker

In accordance with the authority contained in the *Auditor-General Act 1997*, I have undertaken an independent performance audit in the Office of Parliamentary Counsel. The report is titled *Procurement and Contract Management of the New Federal Register of Legislation Project*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <http://www.anao.gov.au>.

Yours sincerely



Dr Caralee McLiesh PSM
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

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Audit snapshot

Auditor-General Report No.15 2025–26

Procurement and Contract Management of the New Federal Register of Legislation Project



Why did we do this audit?

- ▶ The Federal Register of Legislation is the authoritative repository of all Australian Government laws and its public availability is required by law.
- ▶ The development of the current version of the Register was a significant project for the Office of Parliamentary Counsel (OPC).
- ▶ This audit provides assurance to the Parliament over the effectiveness of OPC's procurement and contract management of the new Federal Register of Legislation project.



Key facts

- ▶ OPC is a non-corporate Commonwealth entity and is subject to the Commonwealth Procurement Rules (CPRs).
- ▶ The new Register was launched on 1 January 2024 with a revised estimated budget of \$11.8 million (four-year delay and 181 per cent increase from the initial budget).



What did we find?

- ▶ OPC's procurement and contract management of the new Federal Register of Legislation project was partly effective.
- ▶ OPC's procurement processes have not demonstrated the achievement of value for money. Most procurements involved competition, placing OPC in a strong position to demonstrate value for money. This was undermined by various shortcomings in the conduct of the procurement processes.
- ▶ Contracts have not been appropriately managed. Twelve of the 13 procurements either had no written contract or OPC did not specify performance requirements, as well as an absence of contract management plans.



What did we recommend?

- ▶ There were eight recommendations to OPC aimed at improving its procurement processes and strengthening its contract management.
- ▶ OPC agreed to all eight recommendations.

\$13m

reported value of the
13 contracts relating to the
project.

92%

of contracts involved
competition.

73%

increase in aggregate reported
contract values over course of
project.

Summary and recommendations

Background

1. The Office of Parliamentary Counsel (OPC) was established in 1970 under the *Parliamentary Counsel Act 1970*. It is responsible for drafting and publishing the laws of the Commonwealth of Australia for all Australians. Its corporate plan states that one of its purposes is to 'ensure Commonwealth laws are freely available and accessible to all Australians by publishing Commonwealth laws on the Federal Register of Legislation'. The accountable authority for OPC is the First Parliamentary Counsel who is appointed by the Governor-General. OPC reports having 135 staff.
2. OPC is a non-corporate Commonwealth entity within the Attorney-General's portfolio. As such, it is subject to the Commonwealth Procurement Rules (CPRs) issued by the Minister for Finance under section 105B of the *Public Governance, Performance and Accountability Act 2013*.
3. The Federal Register of Legislation is the authorised whole-of-government website for Commonwealth legislation and related documents. It contains the full text and details of the lifecycle of individual laws and the relationships between them.
4. Under the *Legislation Act 2003*, the First Parliamentary Counsel must establish and maintain the Federal Register of Legislation, and 'ensure that registered Acts, legislative instruments, notifiable instruments and compilations, and other registered documents, are available to the public'.
5. In February 2017, OPC commenced the development of version 3 of the Federal Register. Version 3 was initially scheduled to go live in January 2020 with an initial project budget of \$4.2 million. Following repeated delays with the project, the new Register was launched on 1 January 2024 with a revised estimated budget of \$11.8 million (four-year delay and 181 per cent increase from the initial budget).
6. In March 2025, OPC advised the ANAO that there were 13 contracts relating to the redevelopment project. OPC had reported these 13 contracts on AusTender with a total original contract value of \$7.5 million. Amendments were reported against eight of these contracts (62 per cent) with the value of individual contracts increasing by nine to 1,924 per cent. The total reported amended value of the 13 contracts was \$13 million as at 30 June 2025.

Rationale for undertaking the audit

7. The Federal Register of Legislation is the authoritative repository of all Australian Government laws thereby promoting transparent access to the legal framework. Its public availability is required by law. The development of the current version of the Register was a significant project for OPC.
8. This audit provides assurance to the Parliament over the effectiveness of OPC's procurement and contract management of the new Federal Register of Legislation project.

Audit objective and criteria

9. The audit objective was to examine whether OPC's procurement and contract management of the new Federal Register of Legislation project complied with the CPRs and demonstrated the achievement of value for money.

10. To form a conclusion against the objective, the following high-level criteria were applied.

- Did the procurement processes demonstrate the achievement of value for money?
- Were the contracts managed appropriately to achieve the objectives of the procurement?

Conclusion

11. The new Federal Register of Legislation was launched on 1 January 2024, four years later than planned and at an estimated cost more than double the original budget. OPC's procurement and contract management of the project was partly effective. OPC did not fully comply with the CPRs and did not demonstrate the achievement of value for money.

12. The redevelopment project has been completed with the new Register launched in January 2024. The significant majority (12 of 13) of procurements for the redevelopment project involved competition. This placed OPC in a strong position to demonstrate the achievement of value for money. The OPC's ability to demonstrate value for money was undermined by various shortcomings in how it conducted the procurements. This included OPC not including evaluation criteria in request documentation and/or not applying criteria to assess and then rank candidates so as to select the highest-ranking candidate. OPC's approach to managing probity risks and procurement record keeping was not to an appropriate standard.

13. Contracts have not been appropriately managed to achieve procurement objectives. OPC did not establish a sound foundation for effective contract management with 12 of the 13 procurements either having no written contract (three procurements) or OPC did not specify performance requirements (nine procurements). Contract management was also not effective, with: an absence of contract management and risk management plans; nine of the contracts were varied a total of 50 times increasing the aggregate value of those nine contracts by 143 per cent; and invoicing and payments under eight of the 13 contracts (62 per cent) did not adhere to the relevant contract and/or requirements under OPC's policies. OPC has also not been meeting its AusTender reporting requirements.

Supporting findings

Procurement processes

14. OPC undertook, and documented, a number of steps to plan the development of version 3 of the Federal Register. The planning work that was undertaken did not place OPC in a strong position to deliver the redevelopment project on time and within budget. (See paragraphs 2.3 to 2.8)

15. Consistent with the emphasis given in the CPRs to competitive procurement, competition was employed by OPC for 12 of the 13 contracts (92 per cent). Open competition was employed for 10 of those 12 contracts. Open competition involved one tender with the other nine instances involving all approved sellers on a panel offered the opportunity to quote. The procurement that

did not involve competition involved a single existing supplier being invited to quote on further work.

16. While competition was regularly employed by OPC, its procurement processes involved a number of breaches of the CPRs. In particular, OPC did not meet the requirements to:

- estimate the expected value of procurements (the estimated value is to inform decisions on the appropriate procurement approach); and
- maintain appropriate documentation, including records of decisions. This includes the basis for undertaking limited tenders or document how it had satisfied the conditions for applying an exemption to Division 2 of the CPRs. (See paragraphs 2.11 to 2.27)

17. OPC's approach to evaluation criteria was not consistent with the CPRs. Request documentation for 12 of the 13 contracts (92 per cent) did not demonstrably include relevant evaluation criteria. For those 12 contracts, either the request documentation did not include any evaluation criteria or there were no records of the request documentation maintained by OPC. There was one contract where evaluation criteria were included in the request documentation although, inconsistent with the CPRs, candidates were not informed of the weightings that OPC was going to apply. (See paragraphs 2.30 to 2.32)

18. Six of the 13 contracts (46 per cent) examined were awarded to the candidate where records demonstrated that it had been assessed by OPC to offer the best value for money. For the remaining seven contracts (54 per cent), there was insufficient analysis documented by OPC of value for money considerations. Of note was that it was common for the evaluation process to not include assessment against evaluation criteria to rank candidates. In one instance, OPC selected the candidate that was ranked lowest against the criteria. (See paragraphs 2.35 to 2.47)

19. OPC had not conducted procurements to the ethical standard required under the CPRs. Of note was that no conflict of interest declarations were made specific to the 13 procurements for all relevant individuals involved in the procurement process and there was no probity plan for 12 of those 13 procurements. (See paragraphs 2.50 to 2.64)

20. OPC did not maintain records commensurate with the scale, scope and risk of the procurement. OPC records of each of the 13 contracts was missing one or more important documents. (See paragraphs 2.67 to 2.81)

Contract management

21. AusTender reporting requirements specified in the CPRs were not met for nine of the 13 procurements. Key shortcomings included inaccuracies in the information that was reported, as well as incomplete and inaccurate reporting of contract variations. (See paragraphs 3.2 to 3.11)

22. Clear performance requirements and a means to measure performance were not established for 12 of the 13 procurements. This was because there was no written contract for three of the procurements (23 per cent) and the contract for a further nine procurements (69 per cent) did not include performance requirements. In addition to OPC not signing written contracts with performance requirements, there were only six procurements where methods for monitoring performance (such as providing reports or attending meetings) were set out in a written contract. (See paragraphs 3.14 to 3.20)

23. OPC has not consistently managed contracts effectively to deliver against the objectives of the procurements and to achieve value for money. None of the contracts had a contract management plan, or a risk management plan. Contract variations leading to an increase in cost were common, impacting nine of the 13 procurements (69 per cent) with value increases ranging from 29 per cent to 1,924 per cent. Invoicing and payments under eight of the 13 contracts (62 per cent) did not adhere to the contracts and/or requirements under OPC's policies. (See paragraphs 3.21 to 3.40)

Recommendations

Recommendation no. 1 Paragraph 2.9

The Office of Parliamentary Counsel undertake timely and comprehensive project planning activities that will place it in a strong position to deliver the next version of the Federal Register on time and within budget. This should include assessing project risks, including the Office of Parliamentary Counsel's capability to undertake more complex procurements.

Office of Parliamentary Counsel response: *Agreed.*

Recommendation no. 2 Paragraph 2.28

The Office of Parliamentary Counsel improve its planning of procurement activity, including by estimating the expected value of procurements and ensuring appropriate documentation (including records of any relevant decisions) is maintained for accountability purposes as well as for entity analysis to inform the conduct of future procurements.

Office of Parliamentary Counsel response: *Agreed.*

Recommendation no. 3 Paragraph 2.33

The Office of Parliamentary Counsel include evaluation criteria in request documentation, including any relevant weightings, and ensure records of request documentation are appropriately stored within entity systems.

Office of Parliamentary Counsel response: *Agreed.*

Recommendation no. 4 Paragraph 2.48

The Office of Parliamentary Counsel strengthen its procurement practices so that it can demonstrate that contracts are awarded to the candidate that satisfies the conditions for participation, is fully capable of undertaking the contract and will provide the best value for money as assessed against the essential requirements and evaluation criteria specified in the approach to market and request documentation.

Office of Parliamentary Counsel response: *Agreed.*

**Recommendation no. 5
Paragraph 2.65** The Office of Parliamentary Counsel strengthen its approach to managing probity risks in procurement activities, drawing on better practices commonly adopted in Commonwealth entities and guidance published by the Department of Finance.

Office of Parliamentary Counsel response: *Agreed.*

**Recommendation no. 6
Paragraph 2.82** The Office of Parliamentary Counsel improve its record keeping processes to ensure that business information and records are accurate, fit for purpose and are appropriately stored within entity systems.

Office of Parliamentary Counsel response: *Agreed.*

**Recommendation no. 7
Paragraph 3.12** The Office of Parliamentary Counsel:

- (a) place greater emphasis on timely and accurate reporting of its procurement activities; and
- (b) implement a monitoring and assurance framework over its compliance with the Commonwealth Procurement Rules including for AusTender reporting.

Office of Parliamentary Counsel response: *Agreed.*

**Recommendation no. 8
Paragraph 3.41** The Office of Parliamentary Counsel strengthen its contract management by:

- (a) establishing a written contract, with performance requirements and a specified approach to measuring contractor performance, before a contract commences;
- (b) documenting risk management and contract management plans for high-risk, high-value contracts;
- (c) implementing stronger controls over contract variations that extend durations and/or increase values; and
- (d) introducing effective controls over invoicing and payments under contracts.

Office of Parliamentary Counsel response: *Agreed.*

Summary of entity response

24. The proposed audit report was provided to OPC. The letter of response that was received for inclusion in the audit report is at Appendix 1. OPC's summary response is provided below.

The Office of Parliamentary Counsel (OPC) appreciates the opportunity afforded by this audit to improve future procurement and contract management processes, and broadly accepts the audit's findings and recommendations.

The project to develop and implement the new Federal Register of Legislation was a significant and complex undertaking. The procurement processes were necessarily complex and challenging, but genuine efforts were made to ensure correct processes were followed and requirements were

met. OPC has reflected deeply on the issues encountered through the project, and sought to improve its processes in relation to procurement and contract management. OPC notes that the audit's recommendations build on process improvements already made by the Office.

The audit's conclusions will assist OPC further in meeting its regulatory obligations and the best practice thresholds against which the Office will measure itself.

Key messages from this audit for all Australian Government entities

25. Below is a summary of key messages, including instances of good practice, which have been identified in this audit and may be relevant for the operations of other Australian Government entities.

Procurement

- Risk planning should include a consideration of risks relating to an entity's capability to undertake procurement and contract management activities, particularly where the project is significant relative to the entity's size and budget.
- Small entities that do not regularly undertake significant procurement and contract management activities should engage with their portfolio department and other relevant Commonwealth entities to leverage procurement capability and experience, particularly when conducting infrequent and/or large procurements.
- Sufficient and appropriate records must be maintained at all stages of a procurement. Not maintaining adequate records impacts the entity's ability to demonstrate that its conduct of a procurement has met the requirements under the Commonwealth Procurement Rules. The records should enable a person involved in a future procurement or analysis of the project to understand the reasons for the approaches and decisions taken as well as any alternative approaches that were considered and why they were not pursued.
- The development and implementation of probity arrangements specific to procurements helps ensure that the procurements are conducted ethically in accordance with the Commonwealth Procurement Rules.

Contract management

- Entities should ensure they do not significantly change the scope of procurement contracts through variations. Further, they should not extend a contract due to a failure to appropriately plan procurement needs or to avoid obligations under the Commonwealth Procurement Rules.

Audit findings

1. Background

Introduction

1.1 The Office of Parliamentary Counsel (OPC) was established in 1970 under the *Parliamentary Counsel Act 1970*. It is responsible for drafting and publishing the laws of the Commonwealth of Australia for all Australians.¹ Its corporate plan states that one of its purposes is to ‘ensure Commonwealth laws are freely available and accessible to all Australians by publishing Commonwealth laws on the Federal Register of Legislation’. The accountable authority for OPC is the First Parliamentary Counsel who is appointed by the Governor-General. OPC reports having 135 staff.

1.2 OPC is a non-corporate Commonwealth entity within the Attorney-General’s portfolio. As such, it is subject to the Commonwealth Procurement Rules issued by the Minister for Finance under section 105B of the *Public Governance, Performance and Accountability Act 2013*.

Federal Register of Legislation

1.3 The Federal Register of Legislation is the authorised whole-of-government website for Commonwealth legislation and related documents. It contains the full text and details of the lifecycle of individual laws and the relationships between them. Its content is contributed to by more than 70 separate agencies and it creates the legislative source of truth for other government websites. In December 2025, OPC advised the ANAO that in the previous 90 days there was on average 20,805 ‘total users’ of the Federal Register each day.²

1.4 Under the *Legislation Act 2003*, the First Parliamentary Counsel must establish and maintain the Federal Register of Legislation, and ‘ensure that registered Acts, legislative instruments, notifiable instruments and compilations, and other registered documents, are available to the public’.

1.5 The Federal Register was first developed in 2004. The development of the second version commenced in 2007 and was released in 2011.

1.6 In February 2017, OPC commenced the development of version 3 of the Federal Register. Version 3 was initially scheduled to go live in January 2020 with an initial project budget of \$4.2 million. Following repeated delays with the project, in September 2020 a contract was signed with Arq Group Enterprise Pty Ltd for cloud hosting and related services of the Register.³ The contract had an initial term of three years with the option of up to a further two years.

-
- 1 OPC’s functions are set out in section 3 of the *Parliamentary Counsel Act 1970* and include: drafting proposed laws, amendments of proposed laws and subordinate legislation; preparing compilations and reprints of Commonwealth laws; publishing Commonwealth laws and proposed laws, compilations and reprints of Commonwealth laws, and information relating to Commonwealth laws; preparing and publishing Government Notices Gazettes; other functions conferred on OPC or on the First Parliamentary Counsel under the *Legislation Act 2003* and any other laws of the Commonwealth; and with Ministerial approval, providing assistance to foreign countries in relation to the drafting, printing or publishing of their laws.
 - 2 OPC further advised that the ‘definition of Total User is “The number of unique users who triggered any event in the specified date range. An event is triggered when the criteria for an event is met. For example, an event trigger can be set so that if someone makes a purchase, the text ‘purchase’ populates the dimension.”’
 - 3 See AusTender contract notice CN3783677, available from <https://www.tenders.gov.au/Cn/Show/72de66f8-abf3-43e2-9b50-f8b945bc0905> [accessed 22 September 2025].

In August 2023, OPC exercised the option to extend the contract for a further two years, meaning it expired in early September 2025. On the last day of the contract term, the parties agreed to further vary the contract to extend the term until mid-September while the new contract with the same supplier was finalised (this followed an open tender process conducted in February to March 2025 for cloud hosting and other related services where the incumbent supplier was the only response received).⁴

1.7 The new Register was launched on 1 January 2024 with a revised estimated budget of \$11.8 million (four-year delay and 181 per cent increase from the initial budget).

1.8 In March 2025, OPC advised the ANAO that there were 13 contracts relating to the redevelopment project. The majority of the contracts were for the supply of Information and Communications Technology (ICT) labour hire and professional services. OPC had reported these 13 contracts on AusTender with a total original contract value of \$7.5 million. Amendments were reported against eight of these contracts (62 per cent) with the value of individual contracts increasing by nine to 1,924 per cent. The total reported amended value of the 13 contracts was \$13 million as at 30 June 2025.

Rationale for undertaking the audit

1.9 The Federal Register of Legislation is the authoritative repository of all Australian Government laws thereby promoting transparent access to the legal framework. Its public availability is required by law. The development of the current version of the Register was a significant project for OPC.

1.10 This audit provides assurance to the Parliament over the effectiveness of OPC's procurement and contract management of the new Federal Register of Legislation project.

Audit approach

Audit objective, criteria and scope

1.11 The audit objective was to examine whether OPC's procurement and contract management of the new Federal Register of Legislation project complied with the Commonwealth Procurement Rules and demonstrated the achievement of value for money.

1.12 To form a conclusion against the objective, the following high-level criteria were applied:

- Did the procurement processes demonstrate the achievement of value for money?
- Were the contracts managed appropriately to achieve the objectives of the procurement?

1.13 The audit scope encompassed OPC's procurement framework and conduct of procurement and contract management activities relating to the new Federal Register of Legislation project.

4 The supplier's name changed from Arq Group Enterprise Pty Ltd to NCS AU Pty Ltd in June 2024. On 12 September 2025, the new contract with NCS was executed for an initial term of three years commencing from 19 September 2025 with a further three extension options of one year each. The contract value for the initial three years is \$4.4 million.

Audit methodology

1.14 The audit method involved:

- examination of records, including email records, AusTender reports, electronic documents, and procurement and contract management system reports⁵; and
- meetings with relevant staff.

1.15 The audit was conducted in accordance with ANAO Auditing Standards at a cost to the ANAO of approximately \$442,000. The team members for this audit were Tiffany Tang, Zoe Focic and Brian Boyd.

5 In addition to examining records held by OPC in the files for each procurement, in response to the preliminary audit findings in a number of instances OPC identified and provided to the ANAO relevant procurement records that should have been included in the file for the procurement. This enabled the ANAO to update its analysis before finalising the report of this audit.

2. Procurement processes

Areas examined

The ANAO examined whether the procurement processes demonstrated the achievement of value for money.

Conclusion

The redevelopment project has been completed with the new Register launched in January 2024. The significant majority (12 of 13) of procurements for the redevelopment project involved competition. This placed the Office of Parliamentary Counsel (OPC) in a strong position to demonstrate the achievement of value for money. The OPC's ability to demonstrate value for money was undermined by various shortcomings in how it conducted the procurements. This included OPC not including evaluation criteria in request documentation and/or not applying criteria to assess and then rank candidates so as to select the highest-ranking candidate. OPC's approach to managing probity risks and procurement record keeping was not to an appropriate standard.

Areas for improvement

The ANAO made six recommendations aimed at improved procurement planning, conduct of tender evaluations and use of the results, management of probity risks and procurement record keeping. The ANAO also identified one opportunity for improvement relating to conflict of interest declarations specific to individual procurement processes.

2.1 Competition is a key element of the Australian Government's procurement framework. Effective competition requires non-discrimination and the use of competitive procurement processes.

2.2 Generally, the more competitive the procurement process, the better placed an entity is to demonstrate that it has achieved value for money. Competition encourages respondents to submit more efficient, effective and economical proposals. It also ensures that the purchasing entity has access to comparative services and rates, placing it in an informed position when evaluating the responses. Openness in procurement involves giving suppliers fair and equitable access to opportunities to compete for work while maintaining transparency and integrity of process.

Was adequate planning undertaken and documented?

OPC undertook, and documented, a number of steps to plan the development of version 3 of the Federal Register. The planning work that was undertaken did not place OPC in a strong position to deliver the redevelopment project on time and within budget.

2.3 A procurement plan documents the necessary components to support the procurement activity.⁶ The plan addresses the best way to proceed and how to achieve value for money outcomes. While the Commonwealth Procurement Rules (CPRs) refers to some elements of good procurement planning practice (such as risk assessment, analysis of markets and their supply chains), it does not include procurement planning requirements (other than the publication of the

⁶ See State Government of Victoria, *Prepare a procurement plan* [Internet], available from <https://www.buyingfor.vic.gov.au/prepare-procurement-plan> [accessed 22 September 2025].

annual procurement plan, the purpose of which is to draw the market's early attention to potential procurement opportunities).

2.4 Following a workshop in August 2016, OPC documented the expected technical scope of the redevelopment project. OPC allowed three months for 'investigation/proof of concept (POC) of new technologies' and two years for application development.

2.5 In 2017, OPC prepared a number of procurement planning documents. This included a project framework that set out the project governance structure⁷ and the minimum set of project documentation that was to be developed. Under this framework, also in 2017, OPC prepared a:

- two-page business plan for the redevelopment project; and
- five-page 'initial project plan' that identified an application release date of 1 January 2020 and a budget of \$4.2 million.

2.6 OPC's planning did not examine alternative ways to deliver the redevelopment project. OPC did not do a risk assessment, including of its capability for a procurement of this nature, and did not document any consideration of whether there would be benefits in it seeking support from either its portfolio department or other Commonwealth entities. In October 2025, OPC advised the ANAO that it had discussions with the Digital Transformation Agency (DTA) in May 2016 to discuss the impact of the new Digital Service Standard and, in May 2017, on the DTA's involvement in the redevelopment project. There were no records of the discussions and the DTA was not involved in the project.

2.7 As delays occurred, and costs increased, the documents prepared in 2017 were not updated or revised.⁸

2.8 The project framework set out that a post implementation review (PIR) would be undertaken. The PIR was to document a lessons-learned study that was to be undertaken at the conclusion of the project. A post implementation workshop was conducted in June 2024. Against the background that the register redevelopment had been successful, four priority actions were identified:

- establishing a project management toolkit to 'provide a repository of information and resources to aid and guide project teams';
- while the establishment of a steering committee was assessed as working well, improvements should be made to the frequency of meetings and the impact on decision-making;
- scheduling a mid-project review or health check for all large, high impact projects; and
- strengthening stakeholder communications and engagement.

7 The governance structure included a:

- steering committee — responsible for the business issues associated with the project, as well as oversight and control;
- project management team — responsible for managing the day-to day running of the project and stakeholder management; and
- solution development team — responsible for the day-to-day development of the solution.

8 In October 2025, OPC provided the ANAO with eight internal reviews conducted between November 2018 and May 2023 on the progress of the redevelopment project. The reviews included information on delays to the go-live date and impacts on the budget.

Recommendation no. 1

2.9 The Office of Parliamentary Counsel undertake timely and comprehensive project planning activities that will place it in a strong position to deliver the next version of the Federal Register on time and within budget. This should include assessing project risks, including the Office of Parliamentary Counsel's capability to undertake more complex procurements.

Office of Parliamentary Counsel response: *Agreed.*

2.10 *OPC agrees that more timely, extensive and comprehensive project planning activities will be undertaken before the next project to redevelop the Federal Register commences. OPC will implement a project management toolkit to support effective project management. These activities will include assessing project risks and reviewing OPC's capability to undertake more complex procurements, ensuring that effective planning systems position OPC to deliver future projects on time and within budget.*

To what extent were open and competitive approaches used?

Consistent with the emphasis given in the CPRs to competitive procurement, competition was employed by OPC for 12 of the 13 contracts (92 per cent). Open competition was employed for 10 of those 12 contracts. Open competition involved one tender with the other nine instances involving all approved sellers on a panel offered the opportunity to quote. The procurement that did not involve competition involved a single existing supplier being invited to quote on further work.

While competition was regularly employed by OPC, its procurement processes involved a number of breaches of the CPRs. In particular, OPC did not meet the requirements to:

- estimate the expected value of procurements (the estimated value is to inform decisions on the appropriate procurement approach); and
- maintain appropriate documentation, including records of decisions. This includes the basis for undertaking limited tenders or document how it had satisfied the conditions for applying an exemption to Division 2 of the CPRs.

2.11 Under the CPRs, procurement is conducted by open tender or by limited tender.

- An open tender involves the entity publishing an open approach to market and inviting submissions. An open approach to market is any notice inviting all potential suppliers to participate in a procurement.⁹
- A limited tender involves the entity approaching one or more potential suppliers to make submissions, when the process does not meet the rules for open tender.

Estimating the value of a procurement

2.12 The expected value of a procurement must be estimated before a decision on the procurement method is made in order to assess whether or not the procurement value is greater

⁹ This may include a request for tender, request for quote, request for expression of interest, request for information and request for proposal.

than the relevant procurement threshold.¹⁰ When the expected value of a procurement is at or above the relevant procurement threshold, additional rules in Division 2 of the CPRs must be followed unless an Appendix A exemption applies. Primarily, those additional rules require that, except under specific circumstances, procurements valued at or above the relevant threshold must be conducted by open tender. For non-corporate Commonwealth entities such as OPC, the threshold is \$80,000 for procurements of non-construction services.¹¹

2.13 Limited tenders, although permitted, may not be appropriate for procurements under the relevant threshold. The CPRs specify that the scope, scale, level of risk and market conditions must be considered to determine an appropriately competitive procurement process that will achieve value for money.

2.14 Notwithstanding these requirements, the procurement process for nine of the 13 contracts (69 per cent) did not include OPC estimating the value. For seven of these nine contracts, there were no procurement planning documents maintained to evidence that the expected procurement value was estimated before a decision on the procurement method was made. For the remaining two contracts, the relevant planning documents did not include an estimate of the expected value. This approach breaches the CPRs.¹² It was also inconsistent with OPC's internal policy which requires officials to determine the objectives of the procurement with a clear scope of requirements and to document relevant decisions and justifications relating to the procurement when planning procurements.

2.15 For the four contracts (31 per cent) where there was a cost estimate, three had estimated the procurement value as being greater than the \$80,000 threshold and one as being below the threshold. In all four instances, OPC approached the Digital Marketplace Panel 1.0. That panel was originally established by open tender. The aggregate contract value of these four contracts, as at 30 June 2025, was 167 per cent higher than the estimates. The most significant cost underestimation was a labour hire contract to engage a scrum master/agile coach with HiTech Group Australia Limited. The total value of this contract was \$479,694 which was nearly seven times the estimated procurement value of \$70,000.¹³

10 The expected value is the maximum value (including GST) of the proposed contract, including options, extensions, renewals or other mechanisms that may be executed over the life of the contract. When the maximum value of a procurement over its entire duration cannot be estimated the procurement must be treated as being valued above the relevant procurement threshold.

11 This was the procurement threshold at the time of the project. From 17 November 2025, the procurement threshold for non-construction procurements increased to \$125,000. For procurements of construction services, the threshold is \$7.5 million. The CPRs define 'construction services' as 'procurements related to the construction of buildings and procurements of works as defined by the *Public Works Committee Act 1969*.' See section 5 of the *Public Works Committee Act 1969* for the definition of 'work'.

12 The CPRs state that a thorough consideration of value for money begins by officials clearly understanding and expressing the goals and purpose of the procurement.

13 The initial contract value at execution was \$65,250. The initial contract term was two months starting on 11 September 2017 and did not contain any extension options. There were subsequently six variations (each valued below \$80,000) which resulted in the total contract value increasing from \$65,250 to \$479,694 (635 per cent increase) and the contract term increasing from two months to nearly 1.5 years. For each variation, the advice to the delegate included 'The scope of work and therefore the initial period for the contract was under estimated.'

Procurement approaches used

2.16 As shown in Table 2.1, OPC used an open and competitive procurement approach to establish 10 of the 13 contracts (77 per cent), with an aggregate initial value of \$5.8 million.¹⁴ One was by open tender and nine were by approaching multiple suppliers on a panel let by open tender.

Table 2.1: Contracts by procurement method

	Number	Initial contract value	Value as at 30 June 2025 (inclusive of variations)
Open approach			
Open tender conducted	1	\$3,767,254	\$5,940,408
Competitive approach to panel let by open tender	9	\$2,025,606	\$7,327,576
Limited approach			
Competitive approach	2	\$104,005	\$104,005
Non-competitive approach	1	\$70,290	\$90,915

Source: ANAO analysis of OPC records.

Open tender conducted

2.17 Of the 13 contracts examined by the ANAO, one (eight per cent) was let through open tender.

2.18 The CPRs require 'relevant entities'¹⁵ to use AusTender to publish open tenders and, to the extent practicable, make relevant request documentation available. Potential suppliers must be given at least 25 days to lodge a submission from the date and time that a relevant entity publishes an approach to market for an open tender.

2.19 On 3 February 2020, OPC released the request for tender on AusTender for the 'provision of cloud hosting and other related services'. A total of four addenda were issued by OPC 'in response to questions received from prospective tenderers.' Tenders were required to be lodged electronically via AusTender by 6 March 2020. Potential suppliers had 32 days to respond to the request for tender. The request for tender process resulted in 13 tenders being received.

Panel procurements

2.20 A panel or standing offer arrangement is a way to procure goods or services regularly acquired by entities. In a panel arrangement, suppliers have been appointed to supply goods or services for a set period of time under agreed terms and conditions, including agreed pricing. Once a panel has been established, entities may then purchase directly from the panel. To maximise

14 As at 30 June 2025, the value of these 10 contracts had increased by 129 per cent to \$13.3 million (inclusive of variations).

15 The CPRs define 'relevant entity' as 'non-corporate Commonwealth entities and prescribed corporate Commonwealth entities (listed in section 30 of the PGPA Rule) that must comply with the CPRs when performing duties related to procurement.' OPC is a non-corporate Commonwealth entity.

competition, entities should, where possible, approach multiple potential suppliers on the panel.¹⁶ Each purchase from a panel represents a separate procurement process, and must demonstrate the achievement of value for money and comply with the rules in Division 1 of the CPRs.

2.21 Nine of the 13 contracts examined by the ANAO (69 per cent), with an aggregate initial value of \$2 million, were procured from the Digital Marketplace Panel 1.0. The Digital Marketplace Panel 1.0 was a cooperative procurement arrangement for the supply of Information and Communications Technology (ICT) labour hire and professional services which was established via open tender and managed by the Digital Transformation Agency.¹⁷

2.22 While becoming an approved seller on the Digital Marketplace does not involve a competitive process¹⁸, competitive pressure was applied in all nine instances with OPC listing itself as a ‘buyer’ and releasing briefs to all approved sellers on the Digital Marketplace. Table 2.2 sets out the number of sellers who responded and the total number of candidates put forward in each procurement process.

Table 2.2: Responses received

Contracted supplier	Date work order executed	Services	Initial contract value	Reported procurement method	Number of responses (sellers)
Callida Resourcing Pty Ltd	25 August 2017	Business analyst	\$71,500	Open tender — panel	20 (31 candidates)
HiTech Group Australia Limited	1 September 2017	Scrum master/agile coach	\$65,250	Open tender — panel	12 (17 candidates)
101 Web Technology Pty Ltd	21 March 2018	User experience designer/researcher and service designer consultant	\$101,640	Open tender — panel	11 (16 candidates)
Peoplebank Australia Ltd	18 March 2019 ^a	Front end developer	\$295,812	Open tender — panel	18 (27 candidates)
HiTech Group Australia Limited	25 February 2020 ^a	Full stack developer	\$336,600	Limited tender ^b	15 (21 candidates)

- 16 CPR 9.14, advising officials to approach multiple suppliers from a panel, was added to the CPRs from 1 July 2022 (see Commonwealth Procurement Rules (No. 2) — 1 July 2022 (F2022L00874)). From 1 July 2024, the number of suppliers approached must be reported on the contract on AusTender where a contract was procured via a limited tender, or standing offer arrangement.
- 17 The Standing Offer Period for the Digital Marketplace Panel 1.0, as reported on AusTender, was 5 April 2017 to 31 January 2025.
- 18 The ANAO examined the establishment of the Digital Marketplace Panel within Auditor-General Report No. 4 2020–21, *Establishment and Use of ICT Related Procurement Panels and Arrangements*, ANAO, Canberra, 2020, available from <https://www.anao.gov.au/work/performance-audit/establishment-and-use-ict-related-procurement-panels-and-arrangements> [accessed 11 August 2025].

Contracted supplier	Date work order executed	Services	Initial contract value	Reported procurement method	Number of responses (sellers)
Refactor Solutions Pty Ltd	18 June 2021	Back end developer	\$330,000	Open tender — panel	14 (16 candidates)
HiTech Group Australia Limited	14 April 2022	Back end developer	\$284,449	Limited tender ^b	17 (15 candidates)
Refactor Solutions Pty Ltd	15 April 2022 ^a	Back end developer	\$253,440	Limited tender ^b	17 (15 candidates)
Peoplebank Australia Ltd	27 July 2023	Full stack developer	\$286,915	Open tender — panel	59 (92 candidates)

Note a: Records of the executed contracts were not filed within OPC's systems. In October 2025, OPC provided the ANAO with the contracts.

Note b: The procurement method was incorrectly reported. The CPRs require officials to report the original procurement method used to establish the standing offer when they report procurements from standing offers.

Source: ANAO analysis of OPC records.

Limited tenders conducted

2.23 Three of the 13 contracts (23 per cent), with an aggregate initial value of \$174,295¹⁹, were let through limited tender. Under the CPRs, for each contract awarded through limited tender, officials must prepare and appropriately file within its records management system a written report that includes 'a statement indicating the circumstances and conditions that justified the use of limited tender'.

2.24 For two contracts, competition was generated with multiple suppliers approached.²⁰ In both instances, there were no written records setting out a justification for using a limited tender process. Neither procurement had planning documentation (notwithstanding that the 'Compliance' checklist in the evaluation reports indicated that the 'delegate has provided in-principle approval') or an executed contract filed within OPC's systems. This is inconsistent with the requirements under the CPRs.

19 There were no records of the original executed contracts for these three contracts. As at 30 June 2025, the total value of these three contracts had increased to \$194,920.

20 The first contract was for penetration testing of the Federal Register of Legislation. OPC had originally identified three suppliers to invite to quote. OPC records indicate that four suppliers were subsequently approached in September 2022 although it is unclear how the potential suppliers were selected. The advice to the delegate in October 2022 did not state that four suppliers were approached and only listed the three quotes received. The successful supplier (Ionize Pty Ltd) was engaged for \$30,855.

The second contract was for an Information Security Registered Assessors Program (IRAP) assessment of the Federal Register of Legislation. OPC had originally identified three suppliers to invite to quote. OPC records indicate that 11 suppliers were subsequently approached in September 2022 although it is unclear how the potential suppliers were selected. The advice to the delegate in October 2022 did not state that 11 suppliers were approached and only listed the three quotes received. The successful supplier (North Security.Digital Pty Ltd) was engaged for \$73,150.

2.25 For the remaining contract, OPC did not employ a competitive approach with only one supplier (who was an existing supplier of services to OPC) invited to quote. This procurement was to engage two consultants to provide project management support for the new Federal Register of Legislation project — the first being a steering committee member and the second a project management support officer.²¹ No planning documentation was filed in OPC's systems. In the evaluation report, the procurement had been justified on the basis of paragraph 17 of Appendix A of the CPRs. That exemption is for procurements valued up to \$200,000 from a small to medium enterprise (SME) and requires that the Indigenous Procurement Policy first be satisfied before the exemption is applied.²² Department of Finance guidance also states that 'Entities must document the outcome of their approach to an Indigenous business or businesses to support their justification for using this exemption 17.' OPC did not address risks relating to the supplier making a recommendation that led to that supplier then securing further work with no competition being employed.²³

2.26 OPC had not satisfied the requirements of this exemption or of the Indigenous Procurement Policy which applied to the procurement. The 'Compliance' checklist in the evaluation report included the question 'is there an Indigenous business that has the necessary capacity to supply these services/goods and satisfies the value for money requirement'. 'No' was selected. The advice to the delegate did not include any information or identify any work that OPC had done to support this assessment.

2.27 The contract was then reported on AusTender under Limited Tender Condition 10.3.d.iii. 'Supply by particular business: due to an absence of competition for technical reasons'.²⁴ OPC had not sought to rely on this exemption at the time it conducted the procurement.

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- 21 In November 2021, OPC's Audit and Risk Committee 'agreed to the proposal for a new steering committee with additional resources to support the project' and 'agreed that OPC and Callida define the scope for additional resources to support the project'. This was in response to a project health check of the Federal Register of Legislation redevelopment project which had been conducted by Callida Consulting as part of OPC's 2021–22 internal audit plan. The report was completed in November 2021 and found that the 'governance structure and reporting arrangements outlined in project documentation were not effectively implemented in practice'.
- 22 This was as per the 'Commonwealth Procurement Rules — 14 December 2020' which was the version in force at the time that OPC was conducting this procurement in early 2022. From 1 July 2024, Appendix A Exemption 17 was amended to allow 'all relevant entities to directly engage an SME for procurements valued up to \$500,000 and exempt the procurement from the rules of Division 1 paragraphs 4.7, 4.8 and 7.26 and Division 2.'
- 23 In October 2025, OPC suggested to the ANAO that it could be argued that it had used the urgent and unforeseen circumstances provision to undertake a limited tender to further engage this provider. The ANAO's analysis is that this provision of the CPRs is not aimed at providing a basis for non-competitive procurement processes in circumstances where the procurement need reflects shortcomings in project planning and implementation by the entity.
- 24 Callida Consulting was engaged in February 2022 with an initial cost of \$70,290. A formal contract was not executed until 28 April 2023 (more than a year later) with the start date backdated to 1 March 2022 and covered the period until 31 July 2023 with a maximum contract price of \$90,915.

Recommendation no. 2

2.28 The Office of Parliamentary Counsel improve its planning of procurement activity, including by estimating the expected value of procurements and ensuring appropriate documentation (including records of any relevant decisions) is maintained for accountability purposes as well as for entity analysis to inform the conduct of future procurements.

Office of Parliamentary Counsel response: *Agreed.*

2.29 *OPC has completed two internal audits on procurement processes and will continue to strengthen procurement processes to ensure appropriate rigor and compliance. Internal policies and procedures will be reviewed and updated where required to ensure that the need for adequate procurement planning and documenting the estimated value of the procurement, commensurate with the scale, scope and risk of the procurement, are understood. OPC will also ensure that key project documentation is maintained for accountability purposes and to support analysis that informs the conduct of future procurements.*

Were evaluation criteria included in request documentation and used to assess submissions?

OPC's approach to evaluation criteria was not consistent with the CPRs. Request documentation for 12 of the 13 contracts (92 per cent) did not demonstrably include relevant evaluation criteria. For those 12 contracts, either the request documentation did not include any evaluation criteria or there were no records of the request documentation maintained by OPC. There was one contract where evaluation criteria were included in the request documentation although, inconsistent with the CPRs, candidates were not informed of the weightings that OPC was going to apply.

2.30 The CPRs require relevant evaluation criteria to be included in request documentation to enable the proper identification, assessment and comparison of submissions on a fair, common and appropriately transparent basis.²⁵ Request documentation must include a complete description of evaluation criteria to be considered in assessing submissions and, if applicable to the evaluation, the relative importance of those criteria.

2.31 For one (eight per cent) of the 13 contracts, OPC records did not include the relevant request documentation provided to potential suppliers.

2.32 Of the 12 contracts (92 per cent):

- one included evaluation criteria without advising potential suppliers of the relevant importance or weightings. The six evaluation criteria related to technical capabilities, financial viability, experience in management of similar activities, pricing and compliance with the draft contract. Each element of the technical criterion was weighted as either 10 per cent (four criteria) or 20 per cent (three criteria) of the score for that criterion. The other criteria were not weighted (and potential suppliers were not informed of this); and

²⁵ The CPRs define 'evaluation criteria' as 'the criteria that are used to evaluate the compliance and/or relative ranking of submissions. Evaluation criteria **must** be clearly stated in the request documentation' [emphasis in original].

- 11 did not include any evaluation criteria in the request documentation.²⁶ This meant that the suppliers invited to quote had not been informed by OPC as to the basis on which the contract would be awarded. In two instances, the evaluation panel subsequently ranked the suppliers against six unweighted criteria, in three instances the suppliers were ranked against four unweighted criteria, and for the remaining six the suppliers were not assessed or ranked against evaluation criteria.

Recommendation no. 3

2.33 The Office of Parliamentary Counsel include evaluation criteria in request documentation, including any relevant weightings, and ensure records of request documentation are appropriately stored within entity systems.

Office of Parliamentary Counsel response: *Agreed.*

2.34 *Internal policies, procedures and procurement templates will be reviewed and updated where required to ensure that evaluation criteria and any relevant weightings are included in request documentation and that records are appropriately stored within entity systems.*

Were contracts awarded to the candidates assessed as providing the best value for money?

Six of the 13 contracts (46 per cent) examined were awarded to the candidate where records demonstrated that it had been assessed by OPC to offer the best value for money. For the remaining seven contracts (54 per cent), there was insufficient analysis documented by OPC of value for money considerations. Of note was that it was common for the evaluation process to not include assessment against evaluation criteria to rank candidates. In one instance, OPC selected the candidate that was ranked lowest against the criteria.

2.35 Achieving value for money is the core rule of the CPRs. Officials responsible for a procurement must be satisfied, after reasonable enquiries, that the procurement achieves a value for money outcome. This requires the consideration of the relevant financial and non-financial costs and benefits of each submission.²⁷

2.36 Under the CPRs, unless the entity determines that it is not in the public interest to award a contract, it must award a contract to the tenderer that the entity has determined:

- satisfies the conditions for participation;
- is fully capable of undertaking the contract; and

26 Records of the request documentation for nine of these contracts were not filed within OPC's systems. All nine contracts were procurements from the Digital Marketplace Panel 1.0 for ICT labour hire and professional services. In October 2025, OPC provided the ANAO with additional information on the request documentation for these contracts.

27 These include, but are not limited to the: quality of the goods and services; fitness for purpose of the proposal; potential supplier's relevant experience and performance history; flexibility of the proposal (including innovation and adaptability over the lifecycle of the procurement); environmental sustainability of the proposed goods and services (such as energy efficiency, climate change impact, environmental impact, circularity of the goods and services and use of recycled materials); and whole-of-life costs.

- will provide the best value for money, in accordance with the essential requirements and evaluation criteria specified in the approach to market and request documentation.

2.37 The ANAO examined OPC's procurements in terms of whether the records demonstrated that successful tenderers were assessed as providing the best value for money. The ANAO factored the scale, scope and risk of the procurements into its examination.

Screening and shortlisting of tenders

2.38 The CPRs require request documentation to include any conditions for participation and minimum content and format requirements.²⁸ Further consideration must be given only to submissions that meet minimum content and format requirements.

2.39 For three of the 13 contracts examined, the advice to the decision-maker did not identify any minimum requirements and all written quotes received were progressed to evaluation.

2.40 For one contract, the evaluation report stated that an initial screening process of the 13 tenders received had been conducted for compliance with the essential requirements set out in the request documentation. Seven tenders were assessed as not satisfying the conditions for participation and minimum content and format requirements and were excluded in the first round of screening. Four further tenders were excluded in the second round of screening for failing to fully conform with the requirements of 'Section 5 – Tenderer's Response'. The remaining two tenders were progressed to evaluation despite one not complying with two items in 'Section 5 – Tenderer's Response' meaning there was not equitable treatment of candidates, which is not consistent with the CPRs. The evaluation report stated that 'the evaluation committee thought the technical solution should be evaluated. AGS advice was received that the tender could be evaluated and clarification from the tenderer to resolve the questions concerning 5.4 b) and 5.4 c) could occur if it was found to be the preferred tenderer' (AGS was not informed that other tenderers had been excluded for failing to fully comply with Section 5). The evaluation committee agreed with this advice and the tender continued to the full evaluation process. That tenderer was not ultimately successful.

2.41 For the remaining nine contracts, there was insufficient information set out in the relevant evaluation reports to determine whether:

- tenderers assessed as meeting the minimum requirements were appropriately progressed to evaluation; and
- any tenderers who did not meet the requirements had been excluded or were nonetheless progressed.

2.42 These nine contracts were panel purchases for the supply of ICT labour hire and professional services with responses received from 11 to 59 sellers with a total of 15 to 92 candidates put forward for evaluation.²⁹ In each instance, OPC employed a shortlisting process without setting out the basis for selecting the three to six candidates to be shortlisted in the evaluation reports. Rather, the advice to the decision-maker was limited to 'The applicants were initially evaluated against the

28 Conditions for participation include any financial guarantees, information and documents that potential suppliers are required to submit.

29 See Table 2.2 which sets out the number of sellers who responded and the total number of candidates put forward in each of the nine procurements.

required essential skills and experience and nice-to-have skills and experience listed in the advertised brief'.³⁰

Evaluation of tenders

2.43 For one of the 13 contracts examined (eight per cent), there was insufficient information on file to demonstrate that the evaluation criteria (if any) applied by OPC in the evaluation process were consistent with those advised to potential suppliers in request documentation. In six instances (46 per cent), the request documentation and the subsequent evaluation reports did not identify any evaluation criteria. For the remaining six contracts (46 per cent), there was some inconsistency evident:

- in one instance, the evaluation criteria were the same although OPC had not advised potential suppliers of the weightings associated with one criterion; and
- in five instances, unweighted evaluation criteria were applied notwithstanding that the request documentation did not include any evaluation criteria.

2.44 Notwithstanding the inconsistencies in the application of minimum requirements and evaluation criteria, the records adequately demonstrated that contracts were awarded to candidates assessed as providing the best value for money in six (46 per cent) of the 13 contracts examined. For four of these procurements, a value for money outcome was supported by the successful tenderer being the highest ranked against the evaluation criteria.³¹ For the other two contracts, the shortlisted tenderers were not assessed or ranked against evaluation criteria (rather tenderers were rated on a suitability basis following interviews). In both instances, the recommended supplier was considered 'comparable to other offers in price but provided better quality'.

2.45 For seven contracts (54 per cent), value for money outcomes had not been demonstrated with insufficient analysis being presented by the evaluation panel commensurate with the scale of the procurement. For instance, evaluation reports did not adequately explain the basis on which tenders had been assessed or why the proposed costs represented value for money in the circumstances. This was notwithstanding that for two of these procurements, the contract was awarded to the highest ranked or sole tenderer. Of the remaining five contracts, in four instances the suppliers were not assessed or ranked against evaluation criteria and in one instance the successful tenderer was ranked last out of the three tenderers for overall value for money.³²

2.46 For the one non-competitive procurement examined, the contract was awarded to the single supplier approached.³³ The advice to the decision-maker did not include any analysis of the proposal to support ranking the supplier '1' (the highest possible score) against the six unweighted evaluation criteria. Rather, the evaluation report focussed on the supplier's previous experience

30 Records of the relevant request documentation for these nine contracts were not maintained in OPC's systems. In October 2025, OPC provided the ANAO with additional information on the request documentation for these contracts.

31 The initial value of these contracts ranged from \$101,640 to \$3.8 million.

32 The initial value of the four contracts where suppliers were not ranked ranged from \$253,440 to \$330,000. The one contract awarded to the tenderer who was ranked last in terms of value for money was valued at \$30,855.

33 The initial value of the engagement was \$70,290 and later increased to \$90,915. A formal contract was not executed until April 2023, more than a year after the supplier was initially engaged in February 2022.

with OPC. Further, in the absence of competition, no benchmarking or cost analysis was undertaken. Benchmarking is valuable in non-competitive procurements as it is more challenging to establish that a single bid is a reasonable market price and represents value for money.

2.47 A shortcoming identified by the ANAO in its examination was that it was common for records to provide limited or inadequate analysis when assessing price, particularly when purchasing from a panel arrangement. For 10 of the 13 contracts examined, the claimed value for money of the proposed contract price was not evidenced by the inclusion of a benchmark rate, or by analysing the prices submitted by the other suppliers in a multi-supplier approach.

Recommendation no. 4

2.48 The Office of Parliamentary Counsel strengthen its procurement practices so that it can demonstrate that contracts are awarded to the candidate that satisfies the conditions for participation, is fully capable of undertaking the contract and will provide the best value for money as assessed against the essential requirements and evaluation criteria specified in the approach to market and request documentation.

Office of Parliamentary Counsel response: *Agreed.*

2.49 *Internal policies and procedures will be reviewed and updated where required to strengthen OPC's ability to demonstrate that contracts are awarded to the candidate that satisfies the conditions for participation, is fully capable of undertaking the contract and will provide the best value for money as assessed against the essential requirements and evaluation criteria specified in the approach to market and request documentation.*

Were procurement activities conducted ethically?

OPC had not conducted procurements to the ethical standard required under the CPRs. Of note was that no conflict of interest declarations were made specific to the 13 procurements for all relevant individuals involved in the procurement process and there was no probity plan for 12 of those 13 procurements.

2.50 Section 15 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) requires the accountable authority to govern the entity in a way that promotes the proper use and management of public resources for which the authority is responsible. The PGPA Act defines 'proper' as efficient, effective, economical and ethical.

2.51 Officials must also act ethically in accordance with the Australian Public Service (APS) Values and Code of Conduct, as set out in sections 10 and 13 of the *Public Service Act 1999*. The Code of Conduct includes the requirement that an APS employee, when acting in connection with APS employment, must comply with all applicable Australian laws. The Australian Public Service Commission states that integrity in the APS is:

The pursuit of high standards of professionalism, which in turn means doing the right thing at the right time to deliver the best outcomes for Australia sought by the government of the day.³⁴

34 Australian Public Service Commission, *Integrity*, APSC, Canberra, 2024, available from <https://www.apsc.gov.au/integrity> [accessed 10 November 2025].

2.52 Under the CPRs, officials undertaking procurement must act ethically throughout the procurement. This includes recognising and dealing with conflicts of interest, dealing with potential suppliers equitably, considering the use of public resources and complying with all relevant entity requirements and directions.

Conflicts of interest

2.53 Effective management of conflicts of interest should be a central component of an entity's integrity framework. Poor practice, or the perception of poor practice, in the management of conflicts of interest will undermine trust and confidence in an entity's activities. Entity accountable authorities must promote the ethical management of public resources and establish and maintain appropriate systems relating to risk management and oversight and internal controls. This includes policies and procedures regarding the management of conflicts of interest.

2.54 OPC's 'Conflicts of interest and proper use of Commonwealth resources and information' policy states that:

All employees must disclose to FPC [First Parliamentary Counsel] a potential conflict of interest (either real or apparent) arising in relation to their APS employment as soon as possible after becoming aware of the potential conflict of interest. This is in addition to a disclosure of material personal interests ...

Employees must make a new disclosure to FPC as soon as possible after becoming aware of a significant change relevant to their employment that occurs in relation to an interest that they have disclosed.

Opportunity for improvement

2.55 The Office of Parliamentary Counsel could improve its policies to require additional conflict of interest declarations specific to each procurement process and for declarations to be completed in instances where there are no conflicts.

2.56 Department of Finance guidance to entities on ethics and probity in procurement states that 'Persons involved in the tender process, including contractors such as legal, commercial or probity experts, should make a written declaration of any actual, potential or perceived conflicts of interests prior to taking part in the process.'

2.57 None of the 13 contracts examined by the ANAO included records of conflict of interest declarations for all relevant personnel involved in the procurement, including each member of the evaluation panel, the procurement delegate and advisers (if applicable).

2.58 For one of the 13 contracts, the procurement evaluation plan stated that all persons involved in the request for tender process (including evaluation committee members, additional specialist support or advisers, the decision-maker and any other OPC staff involved in the process) must provide a completed conflict of interest declaration prior to commencing any involvement. Additionally, the probity plan stated that 'All OPC officers and advisers involved in the RFT Process should have signed a Conflict of Interest Declaration' and that 'a conflicts of interest register should be established and maintained, to record all identified conflicts, together with all steps taken to resolve those conflicts of interest, on that register.' There were no records in OPC's systems evidencing that a register was maintained. The advice to the decision-maker stated:

All members signed the Code of Ethics declaration and a Conflict of Interest declaration.³⁵ No additional confidentiality deeds specific to this procurement were obtained.

The Chair and 2 Technical Members of the Evaluation Committee identified as having a professional relationship with staff of the incumbent Register host provider who was likely to tender for this contract. There was no apparent bias towards any tenderer during the process and there was no material deviation in scores between any Committee member's evaluation. No further action was required.

2.59 For the remaining 12 contracts, advice to the decision-maker did not include any statement in relation to probity. The ANAO identified that there was at least one instance where a conflict of interest existed but had not been declared. Specifically, a member of the evaluation panel was related to, and engaged socially with, one of the candidates. The decision-maker was not advised of this probity issue and there were no records documenting how this conflict had been managed. This procurement process resulted in the award of two contracts for back end developers valued at \$253,440 and \$284,449.

2.60 It was also common for the advice to decision-makers to not include a complete list of all individuals involved in a procurement process, including evaluation members and advisers. Of the 13 contracts examined:

- five (38 per cent) included the names of the relevant evaluation members but did not specify their respective roles; and
- eight (62 per cent) did not include details of all individuals involved in the procurement process.

Probity plans and probity advisers

2.61 A probity plan was documented, as a schedule to the procurement evaluation plan, for one of the procurements. There was no probity plan documented for the remaining 12 contracts examined. Procurement guidance from the Department of Finance is that a probity plan can be a useful tool to ensure that probity issues are considered prior to the start of a procurement.

2.62 There was an identified probity adviser for one of the 13 contracts examined. This related to the procurement conducted in 2020 to engage a supplier to provide cloud hosting and other related services.

2.63 The procurement evaluation plan stated that an internal OPC employee had been appointed as the probity adviser for the request for tender process.³⁶ The role of the probity adviser was set

35 There were no records of the completed conflict of interest declarations filed in OPC's systems.

The evaluation report did not include a list of all relevant individuals involved in the procurement, including evaluation committee members and advisers.

The procurement evaluation plan had identified five individuals as forming the evaluation committee comprising of the chair, three technical members and one financial member. The plan also stated that: probity and legal advisers had been appointed; there was an intention to appoint a financial viability consultant; and additional specialist support may be considered.

In October 2025, OPC provided the ANAO with the Code of Ethics and conflict of interest declarations completed by the five evaluation committee members listed in the procurement evaluation plan. These declarations were filed in OPC's record keeping system on 30 September 2025. There were no records of declarations being completed by the delegate and advisers.

36 The procurement evaluation plan was completed after the request for tender was published on AusTender.

out in the plan and included: providing advice to the evaluation committee on probity matters; providing an initial briefing to all personnel involved in the evaluation of tenders; reviewing all proposed clarification requests to tenderers and responses; attending all key meetings and other meetings as required; reviewing the draft evaluation report; and monitoring compliance with the probity plan.

2.64 Notwithstanding OPC identifying a need for a probity adviser during planning, there were limited records maintained evidencing the probity adviser's involvement. The evaluation report included a section on 'Integrity and Probity Issues' which stated that 'A probity briefing was provided to the Evaluation Committee members by the Probity Adviser'. The report did not identify the probity adviser and did not include any other information as to the extent of the probity adviser's role. Further, notwithstanding the requirement for the probity adviser to review and approve the evaluation report, there were no records to evidence that this had occurred. For example, there was no probity report or probity sign off (which is common practice where a probity adviser has been involved in a procurement).

Recommendation no. 5

2.65 The Office of Parliamentary Counsel strengthen its approach to managing probity risks in procurement activities, drawing on better practices commonly adopted in Commonwealth entities and guidance published by the Department of Finance.

Office of Parliamentary Counsel response: *Agreed.*

2.66 *OPC will review practices adopted in our portfolio department and other relevant Commonwealth entities concerning the management of probity risks in procurement activities and internal policies and procedures will be updated where required to enforce this.*

Were appropriate procurement records maintained?

OPC did not maintain records commensurate with the scale, scope and risk of the procurement. OPC records of each of the 13 contracts was missing one or more important documents.

2.67 The CPRs state that officials must maintain, and retain in accordance with the *Archives Act 1983*, for each procurement a level of documentation commensurate with the scale, scope and risk of the procurement. Documentation should provide accurate and concise information on:

- the requirement for the procurement;
- the process that was followed;
- how value for money was considered and achieved;
- relevant approvals; and
- relevant decisions and the basis of those decisions.

2.68 Additionally, entities must have access to evidence of agreements with suppliers, in the form of one or a combination of the following documents: a written contract, a purchase order, an invoice or a receipt.

OPC policies

2.69 OPC's information management policy requires OPC staff to 'create, capture and appropriately manage records relating to their work, ensuring that full and accurate records are created and maintained for each business process and are saved in the appropriate record keeping system.' The policy identifies four 'official record-keeping systems to be used within OPC' being TRIM, TechnologyOne, Aurion and the Federal Register of Legislation. It further requires that 'Information created, or stored, in other systems not deemed an official record-keeping system ... must be copied into the relevant record keeping system as soon as practical.'

2.70 Additionally, OPC's 'Procurement and payment for goods and services and contract management' policy states:

The Contract Manager is responsible for ensuring a separate TRIM file is set up for each formal contract and memorandum of understanding. Included in each TRIM file should be the ATM, quotes received, evaluation decisions, procurement proposal and the signed contract.

For procurements using purchase or work orders all supporting documentation including the approach to suppliers, quotes, procurement proposal are attached to the approved purchase or work order in TechOne.

Internal audit findings

2.71 Record keeping and information management are identified as enterprise risks in OPC's Enterprise Level Risk Register. As part of the 2022–23 internal audit program for OPC, Bellchambers Barrett conducted an internal audit of OPC's information and records management.³⁷ The objective of the audit was to assess 'OPC's current information management and recordkeeping practices against the requirements issued by the [National Archives of Australia] NAA's *Building trust in the public record policy*'. The report concluded that:

The maturity assessment demonstrated that OPC's established information and records management framework provides a solution that generally conforms to the applicable legislative requirements. OPC's approaches to recordkeeping should provide reasonable assurance that key business processes, decisions and documents are appropriately recorded and readily retrievable. However, OPC's information and records management arrangements are still maturing and observed practices vary between workings groups.

2.72 The report noted that OPC's information management policy 'was not observed to be widely or consistently adhered to by staff, resulting in an inconsistent approach towards storing records across the organisation, naming conventions used and difficulty locating necessary documents within TRIM.' A 'Moderate' risk rating was assigned against this finding. The related internal audit recommendation was that OPC provide 'formal fit-for-purpose information and records management training to all staff that reflects the policy decision for how TRIM is required to be used across OPC.'

2.73 A draft of the internal audit report dated 1 May 2023, which did not include OPC's management responses, was presented to OPC's Audit and Risk Committee in June 2023. The advice to the Committee was that:

³⁷ In September 2022, OPC engaged Bellchambers Barrett to provide internal audit services until 30 June 2025 at a cost of \$328,508. On 17 July 2025 (17 days after the initial contract term had already ended), the contract was extended for a further year until 30 June 2026.

The attached internal audit report has been provided to and reviewed by management. BellchambersBarrett is working with management on their responses to validate the appropriateness of implementation plans to the recommendations before finalising the audit report.

2.74 The report was signed off by all parties in August 2024. The management response to the recommendation, with an action date of 2024–25, was that:

An Information Management Project has been established. The established project committee will support the implementation of project deliverables to agreed project milestones. The committee, initially will also play the role of Information Governance Committee.

Due to the nature of the recommendation and the resulting impact on the staff across the office, this project will have a staged delivery. A detailed project schedule is under development.

2.75 The recommendation status was ‘Open’ as at September 2025.

Compliance with documentation requirements

2.76 The maintenance of appropriate documentation is a fundamental element of accountability and transparency in procurement. It ensures that officials are responsible for the actions and decisions they have taken, and for the resulting outcomes. It also facilitates scrutiny of government activity, including by the Parliament.

2.77 Risks associated with an absence of appropriate and consistent record keeping practices include that: legislative obligations are not met; internal policy requirements are not adhered to; records are not readily accessible; value for money is not demonstrably achieved; and procurements do not deliver the desired outcomes at the expected costs. Each of these risks was realised.

2.78 The ANAO observed inconsistencies in record keeping practices across OPC and the use of various business systems (including TRIM, TechnologyOne, emails and shared network drives) to store procurement and contract management information. Each of the 13 contracts examined, ranging in value from \$30,855 to \$3.8 million, had one or more of the following documents missing:

- procurement planning document³⁸;
- request documentation³⁹;
- conflict of interest declarations⁴⁰; and/or
- written contract.⁴¹

Approvals

2.79 Under section 23 of the PGPA Act, the accountable authority of a non-corporate Commonwealth entity may enter into, vary and administer arrangements relating to the affairs of

38 For seven of the 13 contracts (54 per cent), there were no planning documents maintained (see also paragraph 2.14).

39 For one of the 13 contracts examined (eight per cent), there was no record of the relevant request documentation (see also paragraph 2.31).

40 None of the 13 contracts examined included complete records of conflict of interest declarations for all individuals involved in the procurement process (see also paragraph 2.57).

41 For three (23 per cent) of the contracts examined, there was no record of the original executed contract maintained within OPC’s systems.

the entity and approve a commitment of relevant money.⁴² These powers of the First Parliamentary Counsel have been delegated to OPC officials with relevant financial limits varying depending on the individual's position.

2.80 OPC's procurement policy requires all arrangements (including contracts, agreements and purchase orders) to be formally approved by the spending delegate.

2.81 Of the 13 contracts examined:

- seven (54 per cent) had records of the relevant approvals being obtained from an appropriate delegate prior to the contracts being executed⁴³;
- three (23 per cent) had obtained the relevant approvals from an authorised delegate but did not have records of the original executed contract⁴⁴; and
- three (23 per cent) had records indicating that the evaluation reports had been finalised and the relevant approvals obtained after an offer of contract had been made by OPC and accepted by the supplier.⁴⁵

Recommendation no. 6

2.82 The Office of Parliamentary Counsel improve its record keeping processes to ensure that business information and records are accurate, fit for purpose and are appropriately stored within entity systems.

Office of Parliamentary Counsel response: *Agreed.*

2.83 *Following an internal audit of Business information and record keeping OPC has employed a full-time staff member with responsibility for Information Management and Governance to improve OPC's record keeping processes and compliance. OPC is also currently exploring different technological solutions to implement more efficient and effective entity systems which will assist with the improvement of record keeping processes.*

42 An arrangement includes a contract, agreement, deed or understanding.

43 For two of these contracts, records of the original executed contract were not filed within OPC's systems. In October 2025, OPC provided the ANAO with the executed work orders.

44 The initial value of these three contracts ranged from \$30,855 to \$73,150 with an aggregate value of \$174,295.

45 In all three instances, work orders were subsequently executed after approval from the delegate was obtained. All three contracts related to the engagement of back end developers. The first was a one-year contract with an initial value of \$330,000, the second was a nine-month contract with an initial value of \$284,449 and the third was an eight-month contract with an initial value of \$253,440.

3. Contract management

Areas examined

The ANAO examined whether the contracts had been managed appropriately to achieve the objectives of the procurement.

Conclusion

Contracts have not been appropriately managed to achieve procurement objectives. The Office of Parliamentary Counsel (OPC) did not establish a sound foundation for effective contract management with 12 of the 13 procurements either having no written contract (three procurements) or OPC did not specify performance requirements (nine procurements). Contract management was also not effective, with: an absence of contract management and risk management plans; nine of the contracts were varied a total of 50 times increasing the aggregate value of those nine contracts by 143 per cent; and invoicing and payments under eight of the 13 contracts (62 per cent) did not adhere to the relevant contract and/or requirements under OPC's policies. OPC has also not been meeting its AusTender reporting requirements.

Areas for improvement

The ANAO made two recommendations aimed at improving OPC's AusTender reporting and contract management.

3.1 Following the awarding of a contract, the delivery of and payment for the goods and services and, where relevant, the ongoing management of the contract, are important elements in achieving the objectives of the procurement. The Department of Finance's (Finance) *Contract Management Guide* states that it is 'important that contracts are managed consistently and actively throughout their life in accordance with their terms [as this] will ensure that supplier performance is satisfactory, stakeholders are well informed, and all contract requirements are met thereby ensuring that the contract delivers the anticipated value for money outcomes.'

Were AusTender reporting requirements met?

AusTender reporting requirements specified in the Commonwealth Procurement Rules were not met for nine of the 13 procurements. Key shortcomings included inaccuracies in the information that was reported, as well as incomplete and inaccurate reporting of contract variations.

3.2 Under the Commonwealth Procurement Rules (CPRs), non-corporate Commonwealth entities must report contracts on AusTender within 42 days of entering into a contract if they are valued at or above \$10,000.

3.3 Amendments must be reported on AusTender within 42 days where:

- a previously unreported contract is amended to be valued at or above \$10,000;
 - an amendment increases or decreases the reported contract value by \$10,000 or more;
- or

- accumulated unreported amendments will vary the reported contract value by \$10,000 or more.⁴⁶

3.4 Reporting entities are responsible for the quality and content of the data that they publish and report on AusTender. In order to effectively meet their publishing and reporting obligations, entities should implement appropriate measures to quality assure any data published on AusTender for completeness and accuracy. Accurate AusTender reporting achieves two important objectives: transparency to suppliers that the awarded contract is consistent with the representations that were made to the market in the approach to market; and meeting Australia's reporting obligations under various free trade agreements.

3.5 The Finance team in OPC is responsible for entering information into AusTender. Additionally, OPC's 'Procurement and payment for goods and services and contract management' policy requires supporting documentation to be placed on a file created for this purpose each financial year. Since at least July 2015, OPC's internal policy has required its Finance team to 'review the completeness of data in AusTender on a monthly basis'.

Contract reporting

3.6 All 13 of the contracts examined by the ANAO were required to be reported on AusTender as they were valued above the \$10,000 reporting threshold. Of these 13 procurements:

- nine (69 per cent) were reported within 42 days of the contract being entered into (four of which had details accurately reported)⁴⁷;
- one (eight per cent) was reported outside the required reporting period with OPC taking nine months to publish the contract notice after the contract execution date (contract details were also not reported accurately); and
- three (23 per cent) did not have records of the original executed contract which makes reporting of those details on AusTender difficult.

3.7 The accuracy of contract data published on AusTender is largely dependent on an entity correctly entering contract particulars. Accuracy of contract reporting was not to an appropriate standard with six of the 10 contracts where there were sufficient records (60 per cent) reported on AusTender having one or more of the following errors, being incorrect:

- contract start date, with the largest error being nearly 10 months difference between the reported start date and the actual commencement date of the contract;

46 Amendments may include options that have been exercised, contract extensions or renewals. Entities are not required to report amendments to the contract term, although they may choose to. This includes instances where the term of a contract is amended with no impact to contract value.

The CPRs were amended from 1 July 2024 to clarify the reporting threshold at which amendments to contracts must be reported on AusTender. This was in response to recommendation 6 of Auditor-General Report No. 21 2023–24, *Management of the Australian War Memorial's Development Project*, ANAO, Canberra, 2024, para 4.52, available from <https://www.anao.gov.au/work/performance-audit/management-of-the-australian-war-memorials-development-project> [accessed 13 September 2025]. Previous iterations of the CPRs stated 'Relevant entities must report contracts and amendments on AusTender within 42 days of entering into (or amending) a contract if they are valued at or above the reporting threshold.'

47 For three of these nine contracts, records of the original executed contract were not maintained in OPC's systems. In October 2025, OPC provided the ANAO with the contracts.

- contract end date, with the largest error being nearly three years difference between the reported end date and the initial contract expiry date;
- procurement method, with OPC reporting that it had awarded three contracts with an aggregate value of \$874,489 for the supply of developers by way of limited tender.⁴⁸ OPC records indicate that each of these suppliers had been procured from the Digital Marketplace Panel 1.0 which itself had been established via open tender. Under the CPRs, entities should report the original procurement method used to establish the standing offer when reporting procurements from standing offers; and
- contract value, with OPC overstating the contract value by \$1.5 million for its engagement of Arq Group Enterprise Pty Ltd for cloud hosting and related services. The contract as executed in September 2020 was for an initial three-year term at a cost of \$3.8 million yet OPC reported a value of \$5.3 million. The contract included an option to extend for a maximum of two years with a total five-year value of \$5.9 million.⁴⁹ Finance guidance states that the total value of the initial term of the contract (including GST) must be reported and that this does not take into account the value of any options, extensions, renewals or other mechanisms that may be exercised at a future date to increase or decrease the value of the contract.⁵⁰

Contract amendments

3.8 As at 30 June 2025, nine of the 13 contracts (69 per cent) had records evidencing that the contracts had been varied at least once. There were a total of 50 individual variations valued in aggregate at \$7.5 million. OPC was obligated to report 47 of those variations on AusTender. The remaining three variations were not required to be reported as there was no impact on the contract value. Of the 47 variations required to be reported, OPC accurately reported nine (19 per cent) within the required timeframe.

3.9 The ANAO identified the following shortcomings in how OPC reported contracts and amendments on AusTender.

- Duplication in contract reporting. Callida Consulting was engaged in February 2022 to engage two consultants to provide project management support for the new Federal Register of Legislation project. Notwithstanding that no formal contract was executed, OPC reported the procurement on AusTender on 4 February 2022 with a contract value of

48 In March 2020, OPC reported that it had awarded a \$336,600 contract to HiTech Group Australia Limited for the supply of a developer. The reported limited tender exemption was 'App A: 14. Contracts for labour hire.'

In May 2022, OPC reported two contracts (one with HiTech Group Australia Limited and the other with Refactor Solutions Pty Ltd) for the supply of back end developers with an aggregate value of \$537,889. In both instances, the reported limited tender condition was '10.3.d.iii. Supply by particular business: due to an absence of competition for technical reasons.'

49 The evaluation report had advised the delegate of the pricing of services over five years and did not evaluate the cost of the competing tenders over a three-year period (although the request for tender had outlined that the initial term was to be for three years with optional period(s) of up to two years).

50 OPC's internal policy similarly states that 'In calculating the potential value to be published on AusTender, the price must include GST. For ongoing procurement arrangements the value also includes fixed price increases or CPI estimate increases throughout the initial term but excludes any options or extensions that may be exercised at a future date.'

\$70,290.⁵¹ In April 2023, a contract was executed which covered the period 1 March 2022 to 31 July 2023 with a maximum contract price of \$90,915. An amendment was not published against the original contract notice to reflect the \$20,625 increase in contract value and extension of contract term.⁵² Rather, OPC published a second contract notice on AusTender in May 2023 with a value of \$90,915 and contract period of 1 March 2023 to 29 February 2024.⁵³

- Amendments being reported on AusTender before delegate approval was obtained and/or variations executed. ANAO analysis of OPC records indicate that this occurred in at least 12 instances.
- Inconsistencies in how amendments were reported. For example, 101 Web Technology Pty Ltd was engaged in March 2018 to supply a 'User Experience Designer/Researcher and Service Designer Consultant' at a cost of \$101,640 for an initial three-month period. The contract included three extension options of three months each. There were subsequently 20 variations which resulted in the contract value increasing by 1,924 per cent to \$2.1 million and the term increasing to five years and nine months. Each of the variations were valued above \$10,000 and required reporting on AusTender. Rather than reporting each variation as a separate amendment to the original contract notice as and when they were entered into, there were three instances where multiple variations were grouped and reported together (this impacted 11 of the 20 variations). Further, one of the variations was not reported as an amendment to the original contract notice but rather as a new separate contract notice.

3.10 In October 2025, OPC advised the ANAO that:

Following a review it appears that reporting to the Audit and Risk Committee on compliance with the Finance Law commenced from the 2021-22 financial year. Prior to that it was done internally, i.e. the Office of Parliamentary Counsel's Chief Financial Officer (CFO) at the time reported to First Parliamentary Counsel (FPC) only.

3.11 Between 2017–18 and 2024–25, OPC identified one instance of non-compliance with the AusTender reporting requirements.

51 See AusTender contract notice CN3846576, available from <https://www.tenders.gov.au/Cn/Show/b3265668-bda7-4129-980f-0346cc309465> [accessed 30 September 2025].

The contract period was reported as being 1 February 2022 to 30 June 2022. This was inconsistent with the proposal provided by Callida on 2 February 2022 and an 'Engagement Plan' signed by the parties in late February 2022 which stated that the initial term was 'approximately 12 weeks concluding Friday 30 April 2022' at a cost of \$70,290.

The plan was subsequently revised three times with each extending the end date of the engagement. The third revision, as signed by the parties on 28 March 2023, extended the engagement to 31 July 2023 and increased the costs by \$20,625.

52 On 25 September 2025, OPC published an amendment on AusTender against the original contract notice with an amendment value of \$20,625. The contract period was also amended to be 1 February 2022 to 29 February 2024. See amendment notice 'CN3846576-A1 — Administrative correction', available from <https://www.tenders.gov.au/Cn/Show/f68d7298-4bcd-4761-b90c-3f10a173e01a> [accessed 30 September 2025].

53 In September 2025, OPC removed contract notice CN3961604 from AusTender. In October 2025, OPC advised the ANAO that it 'will report the Callida AusTender non-compliance at the November 2025 ARC Meeting'.

Recommendation no. 7

3.12 The Office of Parliamentary Counsel:

- (a) place greater emphasis on timely and accurate reporting of its procurement activities; and
- (b) implement a monitoring and assurance framework over its compliance with the Commonwealth Procurement Rules including for AusTender reporting.

Office of Parliamentary Counsel response: *Agreed.*

3.13 *OPC will continue to optimise its compliance with obligations in adhering to the Commonwealth Procurement Rules including the correct reporting of contracts and other arrangements on AusTender. Following an internal audit undertaken during 2024-25, OPC reviews AusTender reporting each month to ensure it accurate and complete.*

Did the contracts include clear performance requirements, and a means to effectively measure performance against the requirements?

Clear performance requirements and a means to measure performance were not established for 12 of the 13 procurements. This was because there was no written contract for three of the procurements (23 per cent) and the contract for a further nine procurements (69 per cent) did not include performance requirements. In addition to OPC not signing written contracts with performance requirements, there were only six procurements where methods for monitoring performance (such as providing reports or attending meetings) were set out in a written contract.

3.14 Good performance management is key to delivering value for money and involves ensuring that goods or services are delivered as required under the contract. Performance management should take place throughout the life of the contract and be based on the performance framework included in the contract.

Performance requirements

3.15 The Department of Finance's *Contract Management Guide* states that performance standards should be specified in the contract.

3.16 Of the 13 procurements examined, three (23 per cent) did not have a written contract in place. Of the remainder:

- one (eight per cent of the total) included performance requirements (including performance measures and service levels that the supplier must achieve). This was the highest value contract for the project; and

- nine (69 per cent) did not include clear performance requirements.⁵⁴

Performance monitoring

3.17 OPC's 'Procurement and payment for goods and services and contract management' policy states:

Monitoring focuses on collecting and analysing information to provide assurance of contract performance. Assessment compares performance against the performance indicators detailed in the contract.

This includes an ongoing and regular assessment of the organisation, and its subcontractors' compliance with protective security requirements set out in the contract.

The amount of monitoring for particular contracts depends on the complexity and the value of the contract ...

As most of the contracts in OPC are simple and straightforward, performance management is often undertaken on an exception basis where issues have been highlighted ...

All documentation detailing the monitoring and assessment of performance should be placed on the individual contract file.⁵⁵

3.18 For six of the 13 contracts (46 per cent), methods for monitoring performance were set out in the contract (including through reporting, meetings, milestones and/or the maintenance and endorsement of timesheets). While OPC's performance management and monitoring activities for these six contracts were largely implemented in a manner consistent with the performance framework set out in the contracts, there were gaps in documentation. For instance, minutes of key meetings, complete records of all specified reports, and documentation evidencing changes to and/or the achievement of milestones were not consistently maintained on file.

3.19 Of the remaining seven contracts, three did not have a contract in place and four did not include a means to effectively monitor performance against the requirements. Notwithstanding the absence of a performance framework, regular timesheets were maintained (and in most instances endorsed by OPC prior to payment) for each of the four Information and Communications Technology (ICT) labour hire contracts.

Performance adjustments

3.20 There are benefits to linking contract payments to the achievement of milestones or key performance indicators. For one of the 10 contracts where there was sufficient documentation, payments were linked to performance. This related to OPC's engagement of Arq Group Enterprise Pty Ltd to provide cloud hosting and related services for the new Federal Register of Legislation. The contract, as executed in September 2020, included a 'Services and Service Level Management Plan'

54 These nine contracts were work orders issued under the Digital Marketplace Panel 1.0. The Digital Marketplace Master Agreement included general obligations on the seller to supply services: 'to the reasonable satisfaction of the buyer and to the standard set out in the work order'; 'in a manner that equals or exceeds the standard expected of a seller experienced and qualified in the performance of similar services'; and 'in accordance with the Digital Service Standard and any other relevant standards, industry better practice and guidelines, including any specified in the work order'.

55 The policy further states that the contract manager is responsible for ensuring that all documentation (including copies of communication between OPC and the contractor, documentation of performance monitoring and reporting, and reconciliations of costs against the value of the contract) is saved in a TRIM file.

which set out the service levels the supplier was to achieve and a service credit regime whereby OPC would receive credits if the minimum service levels were not met.⁵⁶ Service credits were to be calculated each month with a maximum limit of 20 per cent of that month's service charges (excluding GST).

Was the delivery of contracted goods and/or services effectively managed?

OPC has not consistently managed contracts effectively to deliver against the objectives of the procurements and to achieve value for money. None of the contracts had a contract management plan, or a risk management plan. Contract variations leading to an increase in cost were common, impacting nine of the 13 procurements (69 per cent) with value increases ranging from 29 per cent to 1,924 per cent. Invoicing and payments under eight of the 13 contracts (62 per cent) did not adhere to the contracts and/or requirements under OPC's policies.

3.21 Part of achieving value for money is ensuring that the objectives of the procurement are met without a substantial increase in cost.

Contract administration

3.22 Finance's *Contract Management Guide* states that 'Proper systems for identifying, gathering and recording relevant information ... will help you to manage your contract effectively and provide a clear audit and accountability trail.'

3.23 OPC's 'Procurement and payment for goods and services and contract management' policy states that:

The establishment and maintenance of a Contract Register that contains details of all the entities contracts is essential from an accountability perspective and also for financial management purposes ...

All written contracts should be included in the Contract Register ...

The Finance team is responsible for entering contracts in the Contract Register. The Contract Manager is responsible for ensuring completeness and accuracy, and notifying the Finance team if changes are required.

3.24 One of the 13 contracts (eight per cent) identified by OPC as relating to the new Federal Register of Legislation project, with an initial value of \$330,000, was not included in the contract register.⁵⁷

56 Under the contract, 'Service Credits: represent a reduction in the Service Charges commensurate with the reduction in Services delivered by Arq Group compared with the level of service Arq Group is obliged to deliver for the Service Charges; and act as an incentive for Arq Group to meet the Minimum Service Levels'.

57 In November 2025, OPC advised the ANAO that the contract was 'included in the old contact register file ... but was removed at some point, possibly because the contract had expired. Given the high staff turnover at that time, it's likely that some processes broke down.'

Contract management plans

3.25 Effective planning impacts how a contract is managed and whether there is a successful outcome. A contract management plan is a useful tool to support the management of risks to the success of a contract and to ensure value for money is achieved. The plan should reflect the level of complexity and risk associated with the contract, and include key information about how the contract will be managed over its life.⁵⁸ Finance's *Contract Management Guide* recommends the development of contract management plans for routine contracts and requires them for complex and strategic contracts.

3.26 None of the 13 contracts had a contract management plan. The initial value of these contracts ranged from \$30,855 to \$3.8 million. Three of the procurements did not have a signed contract in place.

Risk management

3.27 Managing risk is an essential part of procurement and contract management. A risk management plan provides a systematic approach to identifying, assessing, evaluating and treating risks that are associated with the contract. Finance's *Contract Management Guide* recommends the development of risk management plans for routine contracts and complex contracts and requires them for strategic contracts. While transactional and routine contracts may not require a formal written risk management plan, entities should still consider and document any risks.

3.28 OPC's 'Procurement and payment for goods and services and contract management' policy states that 'Risks need to be considered throughout the contract management phase and the risks identified during the development and formalising of contracts may also be relevant when managing contracts.'

3.29 None of the 13 contracts had a risk management plan.

Contract variations and extensions

3.30 Finance's *Contract Management Guide* at the time of the project stated that 'an entity should not seek or allow a contract variation where it would amount to a significant change'.⁵⁹ The same principle applies when varying a contract to extend its initial term. The decision-making process for a contract variation must also be documented to ensure that the contract still presents value for money.

3.31 Further, entities should only extend a contract where necessary. Finance guidance at the time of the project stated that contracts can only be extended if three conditions are met: the contract contains an (unused) option to extend; it is value for money to extend the contract; and the contract has not yet expired.

3.32 OPC's 'Procurement and payment for goods and services and contract management' policy states that:

58 Information may include key activities, roles and responsibilities, risk management, contract governance, supplier reporting, meetings, performance management, delivery and acceptance, payments arrangements, specified personnel, supplier access and security, insurance and guarantees, contract variations, and extension options or contract renewal.

59 Substantial changes include those that affect the length, price or deliverables under the contract. Minor changes may be allowed where they do not negatively affect the achievement of value for money.

Most contract variations at OPC are due to an option being taken up to extend the contract on the same basis, based on an assessment of value for money.

The variation should be undertaken in accordance with the procedures set out in this OPC. In particular, any change in the contract value is a proposal to spend relevant money and therefore must be approved by the appropriate official taking into account the total value of the contract (including the variation).

Contract manager also needs to ensure that appropriate security controls are in place after the contract has been varied.

3.33 Of the 13 contracts, nine (69 per cent) had records of at least one variation being executed. This resulted in each of the nine contracts increasing in value as summarised in Table 3.1. In aggregate, this meant that while the 13 contracts were valued at \$6 million when they were entered into, their final value was 125 per cent higher at \$13.5 million.

Table 3.1: Contracts varied to increase contract value, by largest increase

Supplier	Number of variations	Initial contract value (\$)	Amended contract value (\$)	Contract value increase (%)
101 Web Technology Pty Ltd	20	101,640	2,057,497	1,924
HiTech Group Australia Limited	6	65,250	479,694	635
Callida Resourcing Pty Ltd	5	71,500	407,000	469
Peoplebank Australia Ltd	7	295,812	1,414,834	378
HiTech Group Australia Limited	4	336,600	1,172,940	248
Refactor Solutions Pty Ltd	2	253,440	575,872	127
Peoplebank Australia Ltd	1	286,915	605,290	111
Arq Group Enterprise Pty Ltd	2	3,767,254	5,940,408	58
Callida Consulting	3	70,290	90,915	29

Note: The number of variations and the amended contract values are as at 30 June 2025.

Source: ANAO analysis of OPC records.

3.34 The ANAO identified the following shortcomings in OPC's management of contract variations and extensions.

- Variations for additional services being agreed to between the parties without a formal variation document being executed notwithstanding this being required by the contract. For example, Arq Group Enterprise Pty Ltd was procured in 2020 to provide cloud hosting and related services for the Federal Register of Legislation at a cost of \$3.8 million.⁶⁰ OPC records indicate that there were at least five instances, with an aggregate value of \$146,630, where additional services were procured by OPC with Arq being the sole

⁶⁰ The initial contract term was three years and included an option to extend for a maximum of two years with a total five-year value of \$5.9 million.

supplier approached.⁶¹ In each instance, a procurement brief was prepared and approved by an OPC official without the appropriate delegation. Given the value of the contract, approval was required from the First Parliamentary Counsel.⁶² None were recorded as variations to the contract.⁶³ In two instances, a Statement of Work was executed but incorrectly referenced OPC's 2014 contract with Arq as being the governing agreement. In the other three instances, there was no record of an executed variation document or official order.

- Contracts being repeatedly extended despite the necessary conditions not being met. For example, OPC engaged HiTech Group Australia Limited in September 2017 to supply 'an experienced Scrum Master to coach the values and practices of Scrum to an existing development team' for two months at a cost of \$65,250. The contract did not contain any extension options. As at 30 June 2025, six variations had been executed (each valued below \$80,000) which resulted in the contract value increasing by 635 per cent to \$479,694 and the term increasing to nearly 1.5 years.⁶⁴ The advice to the delegate for each variation included that:

3 quotes were not obtained for the following reasons. A competitive process was undertaken in August [2017] for these services. The scope of work and therefore the initial period for the contract was under estimated. It is proposed to use the same company and personnel to ensure continuity and to reduce the administration cost of an additional period of work. (or similar)

- Incomplete records being maintained to evidence that variations and/or extensions had been exercised and agreed to between the parties (such as fully executed variations or communications between OPC and the relevant supplier). ANAO analysis indicates that this occurred in 18 instances.
- OPC not taking an active role in monitoring contract expiry dates and expenditure to place it in a position to determine whether variations are needed in a timely manner. For example, Callida Consulting was engaged in February 2022 to engage two consultants to provide project management support for the new Federal Register of Legislation project. While no formal contract was executed, an 'Engagement Plan' was signed by the parties in late February 2022. The plan set out an initial term of 'approximately 12 weeks concluding Friday 30 April 2022' at a cost of \$70,290. The plan was subsequently revised three times with each extending the end date of the engagement. In each instance, it was the supplier who flagged when the expiry date was nearing or passed, advised OPC on the expenditure to date and initiated the need to extend the term and increase the budget.

61 The value of the separate procurements ranged from \$2,198 to \$49,500.

62 OPC's 'Procurement and payment for goods and services and contract management' policy states that 'any change in the contract value is a proposal to spend relevant money and therefore must be approved by the appropriate official taking into account the total value of the contract (including the variation).'

63 The contract required OPC to issue an 'Official Order' in respect of additional services specified in the price schedule, and for any variations to be made in writing and signed by both parties.

64 Note that for variation 6, approval from the delegate and execution of the work order occurred after the contract term had already ended.

Payments

3.35 Verification of invoices is important to ensure the proper use of Commonwealth resources. Finance's *Contract Management Guide* states that entities should only make a payment when the goods or services have been received and meet the required standards; the supplier is compliant with the contract; the invoice is accurate and correct according to the contract; and when all necessary authorisations and approvals have been obtained.

3.36 OPC's Accountable Authority Instructions state that:

Prior to authorising a payment under an arrangement an official must undertake the following checks:

- ensure that the expenditure has been approved by a spending delegate
- where the payment relates to OPC receiving goods and/or services, that these have been satisfactorily received in accordance with the contract/arrangement with the supplier
- ensure that the invoice/claim for payment is for the correct amount
- be satisfied that the payment has not been previously paid
- ensure that the payment is recorded against the correct cost centre, general ledger account and purchase order.

3.37 Further, OPC's 'Procurement and payment for goods and services and contract management' policy requires that payments be made within 20 days after receiving a correctly rendered invoice.

3.38 ANAO analysis of OPC records indicates that the total cumulative expenditure for the 13 contracts as at 30 June 2025 was \$11.1 million.

3.39 Invoicing and payments under eight of the 13 contracts (62 per cent) did not adhere to the contracts and/or requirements under OPC's policies. The ANAO identified the following shortcomings in its examination.

- Full payments being made without a formal contract in place and before final deliverables were delivered. For example, Ionize Pty Ltd was procured in October 2022 to perform penetration testing of the Federal Register of Legislation. A formal contract was not executed.⁶⁵ The full amount of \$30,855 was paid by OPC on 15 March 2023 although the final report was not received until 23 March 2023.
- Payments being made outside the required 20-day timeframe.
- Multiple purchase orders being raised against the same contract resulting in difficulties tracking expenditures to date and remaining funds.

65 A contract notice was published on AusTender on 14 November 2022 with a value of \$30,855. The contract period was reported as being 2 November 2022 to 31 January 2023. See AusTender contract notice CN3926656, available from <https://www.tenders.gov.au/Cn/Show/e1575ba0-fbd3-4ede-852b-256999a75ea7> [accessed 30 September 2025].

The request for quote email sent by OPC to potential tenderers in September 2022 stated that 'The sites will be ready for testing to commence from 25 October 2022 and for initial test results returned to us by 7 November 2022. If a retest is required that would need to be completed by the end of November 2022.' The potential tenderers were required to indicate that they could meet this timeframe to quote.

The timeframe was subsequently delayed by OPC with testing commencing on 13 February 2023.

3.40 The ANAO did observe instances of good practice by OPC in relation to its 2020 contract with Arq Group Enterprise Pty Ltd for cloud hosting and related services. This included OPC taking a proactive approach to clarify charges invoiced to ensure they were payable under the contract and confirming the achievement of milestones prior to payment.

Recommendation no. 8

3.41 The Office of Parliamentary Counsel strengthen its contract management by:

- (a) establishing a written contract, with performance requirements and a specified approach to measuring contractor performance, before a contract commences;
- (b) documenting risk management and contract management plans for high-risk, high-value contracts;
- (c) implementing stronger controls over contract variations that extend durations and/or increase values; and
- (d) introducing effective controls over invoicing and payments under contracts.

Office of Parliamentary Counsel response: *Agreed.*

3.42 *Internal policies, procedures and procurement templates will be reviewed and updated to ensure that there is a requirement for the written contract to include performance measurements. The guidance and requirements for high-risk, high-value contracts will be strengthened to ensure correct and adequate documentation is created early including risk and contract management plans. OPC will review current controls over contract variations and invoicing/payments and strengthen where necessary and will take steps to ensure staff engaged in procurement activities and contract management are familiar with best practice requirements.*



Dr Caralee McLiesh PSM
Auditor-General

Canberra ACT
4 December 2025

Appendices

Appendix 1 Entity response



Australian Government
Office of Parliamentary Counsel

Dr Caralee McLeish PSM
Auditor-General
Australian National Audit Office
GPO 707
CANBERRA ACT 2601

OfficeoftheAuditorGeneralPerformanceAudit@anao.gov.au

Dear Dr McLeish

The Office of Parliamentary Counsel (OPC) welcomes the Australian National Audit Office's (ANAO) performance audit and appreciates the opportunity to strengthen our governance, procurement, and contract management practices. OPC accepts the audit's findings and recommendations and acknowledges the importance of aligning our processes with the Commonwealth Procurement Rules (CPRs) and broader governance standards to ensure transparency, accountability, and value for money.

The development and implementation of the new Federal Register of Legislation was a significant and complex undertaking. While OPC achieved a high level of competitive procurement, with 92 per cent of contracts involving competition, the audit identified areas where our practices fell short of best practice and regulatory compliance. These shortcomings included the absence of documented evaluation criteria, incomplete record-keeping, and insufficient probity risk management. Such gaps made it difficult to demonstrate value for money and maintain transparency throughout the procurement process.

Contract management practices were inconsistent. Issues included missing written agreements, lack of performance requirements, and inadequate monitoring arrangements. Variations to contracts were frequent, and invoicing and payment processes did not consistently align with contractual terms or OPC policy. AusTender reporting was incomplete and inaccurate for several procurement processes. These shortcomings contributed to delays and cost increases.

OPC broadly agrees with the audit's recommendations and notes that the recommendations build on improvements the Office has already made. Taken together, these actions will mean future projects should meet regulatory obligations, deliver value for money, and uphold the highest standards of integrity and transparency:

Improved project planning

OPC agrees that timely and comprehensive project planning is critical to the success of initiatives going forward. Accordingly, OPC will implement a project management toolkit to support effective planning and delivery. Risk assessments and capability reviews will form part of this process to ensure OPC is positioned to deliver projects on time and within budget.

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Improved procurement

OPC has completed two internal audits on procurement processes and will continue to strengthen our approach to procurement. Internal policies and procedures will continue to be updated to ensure procurement planning includes estimating expected values and maintaining appropriate documentation aligned to the scale, scope, and risk of each procurement. Policies, procedures, and templates will be reviewed to ensure evaluation criteria and weightings are included in all request documentation. OPC will also strengthen its ability to demonstrate that contracts are awarded fairly and on merit. OPC will continue to optimise compliance with CPRs and AusTender reporting obligations. Monthly reviews of AusTender reporting have commenced following an internal audit in 2024–25, and a monitoring and assurance framework will be implemented to ensure timely and accurate reporting. These improvements will enhance transparency and compliance with CPR requirements.

Stronger probity risk management

OPC will review better practices adopted by our portfolio department and other Commonwealth entities and update internal policies to strengthen probity risk management. Conflict of interest declarations and probity plans will become mandatory for all procurements, ensuring ethical standards are upheld.

Enhanced record-keeping

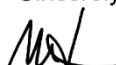
Following an internal audit, OPC appointed a dedicated Information Management and Governance officer and is exploring technological solutions to improve record keeping and compliance. OPC is also exploring new technologies to improve record-keeping. These measures will ensure business information and records are appropriately stored within our systems.

Improved contract management

Policies and templates will be updated to require written contracts with performance measures before commencement, risk and contract management plans for high-risk/high-value contracts, and stronger controls over variations, invoicing, and payments. OPC will also take steps to ensure staff engaged in procurement activities and contract management are familiar with best practice requirements through targeted training.

OPC considers the ANAO's audit of this project to have yielded constructive and useful recommendations. OPC welcomes the opportunity to improve its practice in procurement and contract management. We are committed to ensuring future projects meet regulatory obligations, deliver value for money, and uphold the highest standards of integrity and transparency. OPC thanks the ANAO for its audit.

Sincerely,



Meredith Leigh
First Parliamentary Counsel
1 December 2025

Appendix 2 Improvements observed by the ANAO

1. The existence of independent external audit, and the accompanying potential for scrutiny improves performance. Improvements in administrative and management practices usually occur: in anticipation of ANAO audit activity; during an audit engagement; as interim findings are made; and/or after the audit has been completed and formal findings are communicated.
2. The Joint Committee of Public Accounts and Audit (JCPAA) has encouraged the ANAO to consider ways in which the ANAO could capture and describe some of these impacts. The ANAO's corporate plan states that the ANAO's annual performance statements will provide a narrative that will consider, amongst other matters, analysis of key improvements made by entities during a performance audit process based on information included in tabled performance audit reports.
3. Performance audits involve close engagement between the ANAO and the audited entity as well as other stakeholders involved in the program or activity being audited. Throughout the audit engagement, the ANAO outlines to the entity the preliminary audit findings, conclusions and potential audit recommendations. This ensures that final recommendations are appropriately targeted and encourages entities to take early remedial action on any identified matters during the course of an audit. Remedial actions entities may take during the audit include:
 - strengthening governance arrangements;
 - introducing or revising policies, strategies, guidelines or administrative processes; and
 - initiating reviews or investigations.
4. In this context, the below actions were observed by the ANAO during the course of the audit. It is not clear whether these actions and/or the timing of these actions were planned in response to proposed or actual audit activity. The ANAO has not sought to obtain assurance over the source of these actions or whether they have been appropriately implemented.
 - OPC implemented a pre-approval stage in the procurement process, commencing from September 2023, whereby the Chief Financial Officer signs off on briefs prepared by the corporate team before being provided to the delegate.
 - OPC introduced standardised forms for its procurements commencing from September 2023.