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## Management of public building maintenance effective

The Auditor General today tabled in Parliament the [Public Building Maintenance](#) report that assessed if the Department of Finance effectively manages its contracted maintenance of public sector buildings.

Auditor General Ms Caroline Spencer said Finance organises maintenance for many State government entities and oversees around 240,000 maintenance jobs at a cost of \$278 million each year.

The audit examined Finance's 3 main maintenance arrangements including its head contractor arrangement with Programmed Facility Management and found it was largely effective in managing building maintenance on behalf of other public sector entities, including for schools, fire stations, prisons, courts and offices.

However, there are opportunities to improve its practices. For example, Finance was not checking the quality of maintenance work or whether it met safety standards. In addition, it has not reviewed whether the 3 arrangements remain appropriate, even after key contracts expired.

Ms Spencer said as poorly managed or undeclared conflicts of interest pose a significant risk of fraud in relation to the procurement of maintenance services, we examined the processes for managing conflicts of interest and gifts.

'In a first for this office, using our newly established Forensic Audit function, we performed a series of data analytic procedures and a data matching exercise to try and identify undeclared conflicts of interest,' Ms Spencer said.

'This exercise identified a small number of transactions that have been referred to Finance for further investigation.'

Finance and Programmed had good practices to manage conflicts during the initial procurement of contractors but there were weaknesses in some areas. The audit identified instances where declared conflicts were poorly managed, particularly in regional areas where there is a higher likelihood of close interactions.

Also, Finance had not clearly communicated its expectations for managing conflicts of interest and gifts to Programmed, which fell short of Finance's own requirements.

Ms Spencer said it is pleasing Finance and Programmed have agreed to enhance their analysis of maintenance data to strengthen their ongoing fraud and corruption detection process, as addressing the shortcomings identified in the report will help to improve value for money for entities.

The data analytic procedures performed in this audit are included in the report and all entities are encouraged to consider these procedures as appropriate when analysing their own expenditure transactions.

### Report resources

- [PDF version](#)
- [summary video](#)