

# Annual Plan 2020–21

# Performance audit work program 2020–2023



**Central agencies and  
whole of government**



**Education**



**Environment  
and planning**

2020–21	<p>Business continuity during COVID-19</p> <p>Management of spending measures in response to the COVID-19 emergency</p> <p>Measuring and reporting on service delivery*</p> <p>Service Victoria: Digital delivery of government services*</p>	<p>ICT provisioning in schools</p> <p>Supporting workers in transitioning industries</p>	<p>Delivering the Solar Homes Program</p> <p>Protecting Victoria's biodiversity*</p> <p>Supplying and using alternative water sources</p>
2021–22	<p>Cyber resilience</p> <p>Government advertising</p> <p>Revenue management</p>	<p>Effectiveness of the Navigator program</p> <p>Supporting students with disabilities</p>	<p>Domestic building regulation and dispute resolution</p> <p>Implementing <i>Plan Melbourne 2017–2050</i></p> <p>Managing the impact of deer</p>
2022–23	<p>Fraud and corruption control—Victorian Secretaries Board initiatives</p> <p>Managing employee performance in the Victorian public service</p> <p>Managing statewide risks</p> <p>Use of contractors and consultants in the Victorian public service</p>	<p>Delivery of the Victorian Certificate of Applied Learning</p> <p>Occupational violence in government schools</p> <p>Principal health and wellbeing</p> <p>School management of international students</p>	<p>Biosecurity of plants</p> <p>Hazardous waste management</p> <p>Managing land-use buffers</p> <p>Water authorities' contributions to reducing greenhouse gas emissions</p>

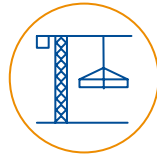
\* Audit commenced

^ Carry over from 2019–20 as required to pause audit due to COVID-19

**Note: 1–3 follow-up audits yet to be added to 2021–22 and 2022–23**



## Health and human services



## Infrastructure and transport



## Justice and community safety



## Local government and economic development

Clinical governance^

Clinical trials in public hospitals

Supporting sexual and reproductive health

Integrated transport planning\*

Major infrastructure program delivery capability\*

Major projects performance

Follow-up of Managing the Level Crossing Removal Program\*

Administration of Victorian courts\*

Reducing the harm caused by gambling\*

Fraud control over local government grants

Maintaining local roads\*

Sexual harassment in local government\*

Effectiveness of the Enhanced Maternal and Child Health program

Health and wellbeing of the medical workforce

Management of the alcohol and other drugs sector

Public pathology services in Victoria

Melbourne Metro Tunnel project—Phase 2: main works

Planning and management of metropolitan bus services

Quality of major transport infrastructure project business cases

Managing body worn cameras

Prisoner health services

The effectiveness of Victoria Police's staff allocation

Developing Fishermans Bend

Food safety regulation in local government

Fraud and corruption risk in local government procurement

Aboriginal health outcomes

Governance and accountability in DHHS

Kinship care

Management of non-clinical services in Victorian hospitals

Maintaining railway assets across metropolitan Melbourne

Road congestion and public transport

Transport network emergency response

Correctional services for people with a cognitive disability

Reducing the harm caused by drugs on Victorian roads

Wellbeing in emergency services

Council waste management services

Regulation of council building approvals in local government

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The Victorian Auditor-General's *Annual Plan 2020–21* was prepared pursuant to the requirements of section 73 of the *Audit Act 1994*, and tabled in the Parliament of Victoria on 24 June 2020.

The Victorian Auditor-General's Office acknowledges Australian Aboriginal peoples as the traditional custodians of the land throughout Victoria. We pay our respect to all Aboriginal communities, their continuing culture and to Elders past, present and emerging.

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Victorian Auditor-General's Office

# Annual Plan 2020–21



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## Acronyms

DELWP	Department of Environment, Land, Water and Planning
DET	Department of Education and Training
DHHS	Department of Health and Human Services
DJCS	Department of Justice and Community Safety
DJPR	Department of Jobs, Precincts and Regions
DoT	Department of Transport
DPC	Department of Premier and Cabinet
DTF	Department of Treasury and Finance
PAEC	Public Accounts and Estimates Committee
VAGO	Victorian Auditor-General's Office
VPSC	Victorian Public Sector Commission



# About our annual plan

The role of the Auditor-General is to provide independent assurance to the Parliament of Victoria and the Victorian community on the financial integrity and performance of the state.

Under the *Audit Act 1994*, we must prepare and table an annual plan before 30 June each year that details our proposed work program for the coming financial year.

The Victorian Auditor-General's Office (VAGO) conducts performance and financial audits and undertakes assurance reviews of public sector agencies. We report on the results of these audits and reviews to Parliament. Our work program helps Parliament to hold the government accountable and helps the public sector improve its performance.

Our performance audits assess whether government agencies, programs and services are effectively meeting their objectives, using resources economically and efficiently and are complying with legislation. They provide assurance about activities that are performed well or represent better practice and identify opportunities for further improvement.

A financial audit is an audit of an agency's financial report. Our audit opinions provide assurance that financial reports fairly present agencies' financial positions, cashflows and operational results for the year.

Performance audits and financial audits integrate with and support each other. Our financial audits are part of our early warning system. Intelligence obtained from our regular annual contact with agencies feeds into our performance audit program. In turn, our public reporting on the results of financial audits responds to and is shaped by our annual planning for performance audits.

While our assurance reviews provide less assurance than an audit, they allow us to cost-effectively and more quickly respond to, examine and report on issues where the additional evidence that would be obtained for an audit is not required. Our annual report on how agencies are implementing our past audit recommendations is one example of an assurance review.

## Performance audits and reviews

We use a rolling three-year planning cycle to develop our performance audit work program. This forecast horizon informs Parliament, the public sector and the Victorian community about our short to medium-term goals and priorities. It also provides us with opportunities to undertake early engagement with our stakeholders and allows audited agencies to make necessary preparations for scheduled audits well in advance.

Our annual planning process has three substantive components:

- understanding the environmental context
- deciding potential areas for audit focus
- communicating these plans to relevant stakeholders and incorporating their feedback where appropriate.

### Understanding the environmental context

We consult with stakeholders and review publicly available information to inform our understanding of public sector programs and initiatives. Our understanding of the environment helps us generate potential areas of audit interest.

Our consultations include members of Parliament, citizens and community groups, public sector agencies, and other key stakeholders. Their input helps us to understand the context of information that we have gathered and assists us in generating ideas for audit topics.



Our review of information can include research, statistical data, reports by other external sources and information that we have previously gathered in the course of conducting our audits. We focus on risks, challenges and emerging issues that may influence the achievement of government objectives.

### Deciding which areas to audit

We decide which areas to audit by anticipating and responding to current and emerging risks and challenges in the Victorian public sector. We use a multifaceted approach to identify, assess and prioritise potential topic areas. Our planning process informs the development of a work program that balances predictability and responsiveness.

Our forward program also complements our strategic plan and objectives. It is important that we maintain our relevance by delivering credible and authoritative reports and advice about things that matter and will make a difference.

In 2020–21, we will continue to focus on maintaining a balanced audit program that reflects our mandate—a mix of audits that examine whether public sector objectives are being achieved effectively, economically and efficiently and in compliance with relevant legislation.

### Assessment steps

After we complete our environmental scan, we assess potential audit topics against the criteria below.



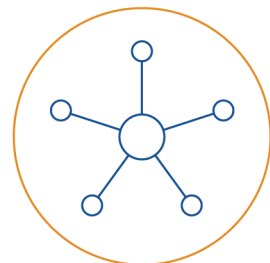
#### Baseline identification criteria

The degree of correlation between the topic idea and statewide/sector specific issues, the number of stakeholders affected and the extent of performance gaps between the desired standards and actual results.



#### Significance of the issue

Consideration of the topic's financial materiality, as well as its economic, social and environmental impact.



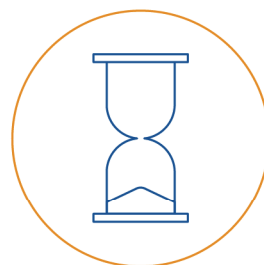
#### Relevance to our key stakeholder groups

Relevance of the topic to Parliament, public sector agencies, industry and professional groups and the general public.



#### VAGO contribution

Our ability to provide unique insights and independent perspectives that add value to the public sector, Parliament and the public.



#### Priority and timing

Consideration of time critical developments relevant to the proposed audit as well as our priorities.



#### Balance and coverage of the program

Balance of economy, efficiency, effectiveness and compliance audits across both our performance audit mandate and the various portfolios/sectors of government.

## Consulting on our work program

Having considered, assessed and internally moderated each topic based on our view of its merits, we then consult with the Public Accounts and Estimates Committee (PAEC) as well as departments and other agencies proposed for inclusion in audits. Our consultation is thorough and transparent and provides the opportunity for considered feedback throughout the planning process.

We analyse all feedback we receive to refine the focus of our audits, check factual accuracy, identify issues with proposed audit timing, and to better understand the impact of current or proposed public sector reforms on audit topics. We acquit the written feedback we receive and explain where we have made amendments based on the information provided and why.

## Follow-up audits

Our performance audit work program also includes our commitment to undertake follow-up audits. Our follow-up audits monitor agencies' progress in implementing recommendations from previous audits, and also verify that actions taken by agencies have been effective in addressing our recommendations.

To contribute to our selection of audits to follow-up, we undertake a comprehensive annual follow-up survey. This survey requires agencies to self-attest to the actions they have taken on recommendations over a three-year period. Our 2019–20 survey included all performance audits tabled in 2017–18 and recommendations yet to be implemented from audits tabled in 2015–16 and 2016–17. Under the assurance review provisions in our updated legislation, we now annually publish these agency responses and our overarching analysis of them in a report to Parliament.

The issues identified in the initial audit, the risk and materiality of the subject matter and feedback received through our ongoing engagement with key stakeholders also inform the follow-up audit topics we select.

## Finalising our work program

The table inside the front cover sets out the performance audits that we intend to undertake over the next three years. This forecast provides us with more opportunities for early engagement with our stakeholders and allows audited agencies to prepare for scheduled audits well in advance.

Performance audits and assurance reviews are conducted in accordance with relevant standards issued by the Australian Auditing and Assurance Standards Board. These standards cover planning, conduct, evidence, communication, reporting and other elements of performance audits. Additional information about how we deliver our performance audits can be found in Appendix A.

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## Financial audits

Our financial audit program delivers a range of assurance services for public sector agencies. This year these include:

- audit opinions on financial reports and performance statements of public sector agencies
- an opinion on the Annual Financial Report of the State of Victoria
- a review report on the Estimated Financial Statements for the General Government Sector (due to the delay in the state budget we expect to review both the 2020–21 and 2021–22 estimated statements during 2020–21)
- three reports to Parliament on the results of our financial audits
- a report to Parliament on our audit of the Annual Financial Report of the State of Victoria
- a separate omnibus report on the outcomes from our audits of the Victorian public sector (this standalone report is likely to be required this year in the case that financial reporting time lines for agencies are extended because of the coronavirus (COVID-19) pandemic).

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## Assurance reviews

On 1 July 2019 the amended *Audit Act 1994* came into effect.

The amendments were designed to restructure and modernise the Act to make it more accessible, effective and efficient.

The amendments modernise our information-gathering and disclosure powers and clarify our existing reporting obligations and powers. They also give the Auditor-General new powers to conduct assurance reviews and to report to Parliament on these reviews.

Assurance reviews are more targeted, time-sensitive and smaller in scale compared to financial or performance audits. As such, they are a cost-effective mechanism that enable us to respond quickly to discrete and lower-risk issues brought to the Auditor-General's attention by other integrity offices, members of Parliament or the community. They are provided for under the Australian *Auditing and Assurance Standards* and are available in all Australian jurisdictions, except for Queensland and South Australia.

The Auditor-General has the discretion to determine when an assurance review is appropriate. We now table our report on the status of past audit recommendations as an assurance review annually.

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## Public Accounts and Estimates Committee

The *Audit Act 1994* requires us to seek comments on our draft annual plan from PAEC. We value PAEC's input and seek its suggestions on potential areas of public sector service delivery that may benefit from audit scrutiny.

In their response to the earlier draft of this plan PAEC suggested topics for performance audits relating to the COVID-19 pandemic and public pathology services.

We have added two new performance audits to our work program relating to COVID-19 pandemic:

- Business continuity during COVID-19
- Management of spending measures in response to the COVID-19 emergency.

We have also brought the audit of Public pathology services in Victoria into our work program, which we had previously included on our out-year list.

Our legislation requires that we publish in the annual plan any changes to the draft plan suggested by PAEC that the Auditor-General does not adopt. PAEC had no further suggestions in this planning cycle.

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## The impact of COVID-19

### Performance audits

We recognise the pressures that the COVID-19 pandemic has put on the public sector, particularly the Victorian health system.

In response to these pressures we adjusted both our current performance audit work program and this forward plan. We reconsidered the timing and topics of our performance audits to allow public sector agencies to participate in them at a time when the pressures of the pandemic are expected to have eased.

Our cross-sector program on the inside cover also includes a performance audit that we originally included in our 2019–20 annual plan but paused due to COVID-19. This audit will now table in 2020–21. In some instances, we have deferred, delayed or cancelled performance audits that we had planned for 2020–21 to 2022–23. Additionally, we have included two performance audits that specifically look at COVID-19-related matters so we can gather and share learnings from this significant event.

See Appendix C for a full list of adjustments to the performance audit work program in response to the impact of COVID-19.

### Financial audits

In times of economic uncertainty and heightened government spending, the need for transparency and accountability of financial information remains of paramount importance.

We are equipped to conduct our financial audits remotely. However, the diversion of resources to respond to the crisis, combined with the challenges posed by matters such as restrictions on movement, access to workplaces and home education arrangements, have affected the capacity of many agencies to achieve predetermined financial reporting and audit time lines.

In response, we were part of a working group with representatives from the Department of Treasury and Finance (DTF) and the Department of Premier and Cabinet (DPC) to consider various alternatives to financial reporting and audit time lines, considering the different scenarios that may arise as a result of COVID-19.

Outcomes of this working group have allowed for a staged approach to financial reporting and audit time lines in the event that our audit or client capacity is challenged.

- The review report on the Estimated Financial Statements for the General Government Sector for the 2020–21 financial year has been delayed until late 2020.
- The preparation and audit of the Annual Financial Report of the State of Victoria for the 2019–20 financial year and material entities will be a primary focus and conducted first.
- The preparation and audit conduct of non-material entities may be delayed given the primary focus.

This means that we will likely provide many of our audit opinions later in the year compared to previous years. We may also need to do more work to substantiate agency expenditures, particularly emergency and non-routine expenditures that may have bypassed the usual governance and control arrangements.





# Performance audit work program

This section sets out our proposed performance audit program for the next three years. In 2020–21 we plan to deliver 21 performance audits, which includes one follow-up audit.

For each audit listed, we outline the audit specification, which includes our objective for the audit, the issues we intend to examine and the proposed agencies we expect to include.

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## Our seven performance audit sectors

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Central agencies and whole of government



Education



Environment and planning



Health and human services



Infrastructure and transport



Justice and community safety



Local government and economic development



# Central agencies and whole of government

## Business continuity during COVID-19

2020–21

**Objective** To determine whether agencies' business continuity arrangements enabled the continuation of essential public services during the coronavirus (COVID-19) pandemic state of emergency.

**Issues** On 16 March 2020, the Victorian Government declared a state of emergency and released its *COVID-19 Pandemic Plan for the Victorian Health Sector* in response to the global and national spread of the COVID-19 virus.

The response to the pandemic required changes to governance structures and public accountability mechanisms, such as the timing of the state budget, as well as to business support processes. It also significantly reshaped frontline service delivery and required the reallocation of resources to respond to urgent demands. Thousands of Victorian public service employees also transitioned to working from home. This created challenges for agencies, including ensuring access to core information and communications technology (ICT) systems and supporting staff wellbeing.

Each Victorian Government agency must have a business continuity plan and a disaster recovery plan under the *Financial Management Act 1994*. These plans must be reviewed annually, tested and updated to identify emerging risks and issues. Our previous audits of business continuity and disaster recovery found that audited agencies lacked centralised coordination and capability to fully support critical services during a state of emergency.

This audit will examine agencies' preparedness for and ability to respond to the COVID-19 pandemic and maintain continuity of government business. It will share lessons of success and areas for future improvement.

**Proposed agencies** Cenitex, the Department of Education and Training (DET), the Department of Environment, Land, Water and Planning (DELWP), the Department of Health and Human Services (DHHS), the Department of Jobs, Precincts and Regions (DJPR), the Department of Justice and Community Safety (DJCS), DPC, the Department of Transport (DoT), DTF and Victoria Police.

## Management of spending measures in response to the COVID-19 emergency

2020–21

**Objective** To determine whether agency spending in response to the COVID-19 state of emergency, including through the Treasurer's Advance, has been used for its stated purpose and complies with relevant laws and regulations.

**Issues** It is vital that the government responds rapidly to emergencies to minimise harm and maintain essential services to the community. However, this can introduce the risk of inappropriate or wasteful expenditure due to reduced controls, monitoring and oversight. It may also impair transparency and accountability of spending.

In April 2020, the Parliament of Victoria passed legislation to access \$24.5 billion in Treasurer's Advance over two years to help to fund spending measures implemented specifically to respond to the COVID-19 pandemic. Parliamentary authority for such urgent expenditure is usually obtained through a subsequent annual budget process, which may occur well after the money has been spent.

This audit will help provide transparency over the spending measures undertaken to respond to COVID-19, including but not limited to the use of funds from the Treasurer's Advance, and give assurance that expenditures were lawful, necessary and appropriate.

**Proposed agencies** DELWP, DET, DHHS, DJCS, DJPR, DoT, DPC and DTF.

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## Measuring and reporting on service delivery

2020–21

**Objective** To determine whether the state's departmental service performance measurement framework and reporting promotes accountability and informed decision-making.

**Issues** VAGO audits over the past 20 years have repeatedly found significant weaknesses in how departments measure and report on performance. PAEC's *Report on the 2018–19 Budget Estimates* also found significant shortcomings.

Key issues include, but are not limited to, poor or absent links between objectives and output and/or outcome measures, lack of meaningful analysis of results, targets that are either unchallenging or induce perverse incentives, and important service areas without performance measurement. These limitations prevent Parliament and the public from properly understanding whether government agencies are effectively delivering their services and intended outcomes.

This audit will assist in enhancing measurement and reporting of Victorian public service performance by shining a light on practice in departments.

**Proposed agencies** DELWP, DET, DHHS, DJCS, DJPR, DoT, DPC and DTF.

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## Service Victoria: Digital delivery of government services

2020–21

**Objective** To determine whether digital delivery of government services has improved customer experiences and reduced transaction costs.

**Issues** The government has made commitments to develop better digital channels and mobile services for service delivery. In May 2015, DPC launched Service Victoria with the aim of enhancing government online service delivery and improving customer experience.

With hundreds of phone hotlines and over 500 different websites, accessing Victorian Government services and information can be difficult as well as costly to government and individuals. According to government estimates, the disparate systems for Victorians to contact government entities cost around \$461 million and this figure could rise to \$713 million by 2026 without changes to service delivery approach.

Significant delays and cost overruns in delivering government information and communications technology (ICT) projects in the past raise questions regarding the timely delivery of services by Service Victoria and realisation of reduced transaction costs. In addition, citizens require confidence that governments will protect their privacy when they transact digitally.

The audit will assess if Service Victoria is meeting its mandate to overcome current challenges in government digital delivery.

**Proposed agencies** DPC and Service Victoria.

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## Cyber resilience

2021–22

**Objective** To determine whether government agencies are prepared to detect, respond to, and recover from cyber incidents.

**Issues** The Victorian Government released its cybersecurity strategy in 2017. In July 2018, DPC implemented the whole-of-Victorian-government Cyber Incident Response Service (CIRS) and in 2019, released its practice guide on developing a cyber incident management plan (CIMP). These initiatives aim to improve cyber resilience, ensure continuity of service and coordinate Victoria's response to threats against information and communications technology (ICT) infrastructure.

In addition, the *Victorian Protective Data Security Framework* and *Victorian Protective Data Security Standards* provide direction for Victorian public sector agencies on their data security obligations.

Our previous audits have found undeveloped disaster recovery procedures and little agency awareness of how their ICT systems would perform if subject to a cyber incident.

This audit will assess whether DPC's cybersecurity strategy, CIRS and CIMP are improving cyber resilience. It will also assess selected government agencies' preparedness to detect, respond to and recovery from cyber incidents.

**Proposed agencies** Cenitex, DJCS, DoT, DPC and the Emergency Services Telecommunications Authority.

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## Government advertising

2021–22

**Objective** To determine whether government advertising campaigns comply with the *Public Administration Act 2004*, are cost-effective and in the public's interest.

**Issues** The Victorian Government uses advertising to communicate information about government programs and services, changes to legislation and health and safety. Advertising may appear in print, radio, television, outdoors, online, and other digital platforms. Campaign advertising costs vary significantly each year. Government spending on advertising campaigns cost taxpayers \$88.7 million in 2017–18.

In September 2017, Parliament passed legislation to strengthen governance of communication and advertising undertaken by public sector bodies. Transparent government advertising is not only a legislative requirement, but of significant public interest. Misuse of advertising for political reasons may have an impact on community confidence and may also give one party an unfair advantage at elections.

This audit will assess the transparency and accountability of government advertising and its conformance with Part 5A of the *Public Administration Act 2004*.

**Proposed agencies** DPC, DTF, Victoria Police and a selection of agencies who have had recent advertising campaigns.

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## Revenue management

2021–22

**Objective** To determine whether the collection and management of state revenue by the State Revenue Office is cost-effective.

**Issues** The State Revenue Office (SRO) is the Victorian Government's major revenue management agency and is responsible for administering a range of state taxes, duties, grants and levies. It collected more than \$19.1 billion in 2018–19. The revenue collected by SRO is used to fund government spending on hospitals, schools, transport and other infrastructure.

To effectively fulfil its functions, SRO needs to ensure that taxpayers pay the correct amount of tax when it is due, and that those receiving a grant or rebate are entitled to do so.

This audit will focus on how SRO manages revenue collection, including its debt and compliance strategies, key information systems and recent digitalisation initiatives.

**Proposed agencies** DTF and SRO.

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## Fraud and corruption control—Victorian Secretaries Board initiatives

2022–23

**Objective** To determine whether the fraud and corruption controls initiated by the Victorian Secretaries Board are well designed and operating as intended.

**Issues** In 2015–16, the Independent Broad-based Anti-corruption Commission (IBAC) investigated allegations of corruption in DET. In response to IBAC's findings, the Victorian Secretaries Board established a Corruption Prevention and Integrity Subcommittee, which developed an action plan to strengthen integrity frameworks.

The Victorian Secretaries Board worked with the Victorian Public Sector Commission (VPSC) on initiatives to strengthen processes in relation to:

- conflicts of interest
- gifts, benefits and hospitality
- code of conduct
- tendering and procurement
- integrity structure and governance
- ethical leadership.

The secretaries agreed on and adopted a base-level policy and practice requirements.

This audit will focus on the implementation of initiatives from the Victorian Secretaries Board to improve integrity in the Victorian public sector following IBAC's investigations and will test the effectiveness of these controls.

**Proposed agencies** DELWP, DET, DHHS, DJCS, DJPR, DoT, DPC, DTF and VPSC.

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## Managing employee performance in the Victorian public service

2022–23

**Objective** To determine whether management of employee performance and progression supports staff and public service capability.

**Issues** In 2018–19, the Victorian public service included 47 961 employees working across eight departments and 40 authorities and offices. Victorian public service employees hold positions of trust, manage the state's finances and assets and provide a range of services to Victorians. Victorian public service employee expenses are the state's largest operating expense.

A high-performing Victorian public service workforce is integral to delivering public services and achieving departmental goals. This requires effective management of employee performance and career progression, including addressing unsatisfactory employee performance.

This audit will help to identify better practices and key challenges in staff performance development across the Victorian public service.

**Proposed agencies** DELWP, DET, DHHS, DJCS, DJPR, DoT, DPC, DTF, Victoria Police and VPSC.

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## Managing statewide risks

2022–23

**Objective** To determine whether agencies are working collaboratively to identify and manage shared and state significant risks.

**Issues** To achieve their strategic objectives, Victorian Government agencies must be prepared for risks. As the public sector moves toward a more sophisticated, whole-of-government approach to service delivery, it is essential for agencies to work together to tackle their own risks as well as shared and state significant risks.

The *Victorian Government Risk Management Framework* (VGRMF) prescribes the minimum risk management requirements that agencies must demonstrate to manage risks effectively. This includes shared and state significant risks. It also requires agencies' risk management frameworks to be consistent with *AS/NZS ISO 31000:2009 Risk Management—Principles and guidelines*.

DTF chairs the Risk Interdepartmental Committee and reports to the Assistant Treasurer. DTF is able, through consultation and reporting, to consider state significant risks on an ongoing basis and seek advice as to how agencies manage these risks. If agencies do not accurately record and properly escalate these risks, this places them and potentially the entire public sector in a position where the availability and quality of services may be impacted.

The Victorian Managed Insurance Authority (VMIA) supports departments in building risk management governance capabilities and meeting the requirements of the VGRMF. It also undertakes a stocktake of risk management and insurance arrangements in the public sector and reports to the government on agencies' abilities to manage risks.

**Proposed agencies** DTF, Victoria Police, VMIA and a selection of departments.

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## Use of contractors and consultants in the Victorian public service

2022–23

**Objective** To determine whether Victorian state government agencies are achieving value for money in their use of contractors and consultants.

**Issues** Government agencies use consultants and contractors for a range of purposes. Agencies often procure such services because they need specialist or technical skills, an external viewpoint or to supplement internal resources. However, an undue reliance on consultants and contractors risks reducing the capability of public sector staff. In addition, government agencies need to demonstrate that they are achieving value for money outcomes when using consultants and contractors.

Since 1 October 2019, departments have had to comply with new guidelines for using labour hire and professional services. These guidelines specify decision-making and approval requirements for labour hire and the use of professional services.

This audit will assess the prevalence of contractor and consultant use in the public service and whether departments are investing enough in their core capabilities to develop a capable, self-reliant public sector. It will also assess whether departments are complying with the new guidelines for using labour hire and professional services.

**Proposed agencies** DELWP, DET, DHHS, DJCS, DJPR, DoT, DPC, DTF and Victoria Police.



# Education

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## ICT provisioning in schools

2020–21

**Objective** To determine whether DET and government schools are equipped with the information and communication technology (ICT) infrastructure and resources necessary for ICT-facilitated teaching and learning.

**Issues** ICT infrastructure, devices and software are important for delivering the curriculum and supporting teaching and learning. ICT can help students learn how to access information. It can also help teachers develop students' critical thinking, evaluation and synthesising skills.

A student's ability to take advantage of a digital learning environment depends on their school's ICT planning and level of access to ICT infrastructure and resources. Provisioning ICT infrastructure is therefore necessary for ICT-enabled learning.

DET shares the responsibility with government schools to ensure that they are appropriately supported for ICT-facilitated teaching and learning. DET gives government schools access to core ICT infrastructure and resources, such as laptops for teachers and principals, local networks, internet access, financial and administrative systems and standards, and technical support.

By centrally provisioning ICT infrastructure and resources, DET aims to deliver equitable and sustainable support and equipment across schools. Schools are responsible for planning and budgeting for the ICT capabilities and resources they need to achieve their strategic goals. To assist this, DET provides schools with ICT planning policies to support a consistent approach to resourcing ICT infrastructure.

This audit will assess if schools have equitable access to the ICT infrastructure and resources they need to support ICT-facilitated teaching and learning. We will also examine if DET and schools obtain value for money when purchasing ICT infrastructure and how DET monitors and responds to schools' ICT needs.

**Proposed agencies** DET and a selection of government schools.

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## Supporting workers in transitioning industries

2020–21

**Objective** To determine whether Victoria's education and training programs are successfully supporting workers in declining industries to transition to new employment.

**Issues** Globalisation, automation and other disruptive technologies, the increased demand for service and knowledge-oriented industries, and online purchasing have collectively shifted Victoria's industrial landscape.



Industries such as end-to-end manufacturing, once considered the backbone of Victoria's economy, have declined in size and relevance. The prevalence of short-term contracts has also made the idea of a 'job for life' less realistic. To maintain employment in this changing climate, workers must continuously upgrade and expand their skillset. Consequently, education and training are now considered career constants as opposed to practices that a person completes before they enter the workforce.

Revitalising the vocational education and training sector to better support transitioning industries has been a major focus for the Victorian Government since 2014. It has implemented a suite of initiatives and established the Victorian Skills Commissioner to ensure that the vocational education and training sector system is well-resourced and able to respond to the changing needs of industries and workers.

In addition to these broader reforms, the government has implemented a range of specific initiatives and policy settings to support workers impacted by industrial changes. For example, the establishment of skills and job centres, eligibility criteria for access to subsidised training, and the Jobs Victoria Employment Network. Other support includes the Workers in Transition Service delivered through Jobs Victoria, which provides support to workers and businesses facing retrenchment.

This audit will assess the effectiveness of DET's (including the Victorian Skills Commissioner) and DJPR's activities and specific initiatives to support workers impacted by industrial changes, with a focus on education and training.

**Proposed agencies** DET (including the Victorian Skills Commissioner) and DJPR.

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## Effectiveness of the Navigator program

2021–22

**Objective** To determine the extent to which the Navigator program is effectively re-engaging students in education.

**Issues** Engagement strongly influences a student's academic achievements and likelihood of completing school.

There are three key dimensions of student engagement:

- behavioural engagement—the extent to which students participate in academic, social, and extracurricular activities at school
- emotional engagement—the sense of belonging that students receive from their peers, teachers, and the broader school environment
- cognitive engagement—the extent that students value their education and persist at learning.

According to the 2012 Programme for International Student Assessment, Australian students from high socio-economic backgrounds have greater average levels of engagement than those from lower socio-economic backgrounds. Intervening with targeted assistance to re-engage students with education could break cycles of disadvantage because early school leavers generally have fewer employment opportunities and poorer health outcomes.

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## Supporting students with disabilities

2021–22

In July 2016, DET commenced a two-year pilot of the Navigator program to help disengaged young people reconnect with education. The program funds community service organisations to deliver case management and outreach services to young people who are at risk of disengaging from school. In 2018–19, the Victorian Government committed \$43.8 million over four years to expand the program across the state.

This audit will assess various parts of the Navigator program, including its evidence base, funding model, monitoring and governance arrangements, and early outcomes.

**Proposed agencies** DET and a selection of participating schools.

**Associated entities** Community service providers including Berry Street, Jesuit Social Services, Mission Australia, and Murray Mallee Local Learning and Employment Network.

**Objective** To determine whether DET and government schools are providing reasonable adjustments and support for students with disabilities.

**Issues** Approximately one in five students enrolled in Victorian schools have a disability. Under the Australian *Disability Standards for Education 2005* (the Standards), schools must take reasonable steps to ensure that students with disability are able to participate in education programs and use facilities on the same basis as their peers without disability. Disability includes physical, intellectual, mental or medical impairments. Students can often have more than one disability, which can make their needs complex.

The Standards require schools to make reasonable adjustments to help students take part in education programs and use facilities. Making reasonable adjustments is the main way that schools support students with disability. Reasonable adjustments are actions or measures that help a student with disability take part in their education on the same basis as their peers without disability. For example, a school may modify assessments to allow a student to answer orally or use a computer. A school might also plan all excursions in locations that are wheelchair accessible.

Schools provide supports using their school budget, Program for Students with Disabilities funding or through a range of programs and initiatives managed by DET. DET and government schools are responsible for implementing reasonable adjustments and supports to maximise the learning and wellbeing of students with disability.

This audit will examine if schools are complying with their legislative responsibilities under the Standards, the *Education and Training Reform Act 2006* and any other relevant legislation and have the necessary arrangements to provide reasonable adjustments and supports to meet students' needs. We will also assess if DET provides clear policies and guidance to schools and monitors the education outcomes of students with disabilities.

**Proposed agencies** DET and a selection of government schools.

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## Delivery of the Victorian Certificate of Applied Learning

2022–23

**Objective** To determine whether Victorian Certificate of Applied Learning delivery and oversight is supporting students to meet their further education and/or employment objectives.

**Issues** Victorian students in years 11 and 12 can choose from two certificates to complete their secondary education—the Victorian Certificate of Education (VCE) and Victorian Certificate of Applied Learning (VCAL). VCAL offers hands-on learning to give students practical work experience as well as literacy and numeracy skills. VCAL is suited to students who are interested in completing further training at a technical and further education institute, undertaking an apprenticeship or securing a job after completing year 12.

The government school sector delivers VCAL in three different ways:

- at secondary schools, where schools deliver VCAL subjects to students onsite
- via Community VCAL, where students are enrolled at a host school but external providers, known as non-school senior secondary providers (who are authorised VCAL providers in their own right), are contracted by the school to deliver the program offsite
- via Satellite VCAL, where schools deliver the program offsite (these programs are not outsourced to external providers though).

Additionally, school-aged students can access VCAL in an adult training environment.

The Victorian Curriculum and Assessment Authority (VCAA), DET and the Victorian Registration and Qualifications Authority (VRQA) each play a role in ensuring that VCAL provides accessible and engaging learning pathways that lead students into further training or employment.

This audit will examine whether the performance of VCAL providers in the government school sector and the adult training environment is being monitored and managed effectively.

**Proposed agencies** DET, VCAA and VRQA.

**Associated entities** A sample of VCAL providers.

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## Occupational violence in government schools

2022–23

**Objective** To determine whether DET is reducing the incidence and impact of occupational violence in school settings.

**Issues** Occupational violence in school settings is any form of physical attack or threatening conduct against school staff or students. Any member of the school community may commit occupational violence, including students, staff, parents or carers. Emerging research and anecdotal reports indicate that the reporting of education-related occupational violence has increased in recent years.

Research into the risk factors, precursors and triggers for student-enacted occupational violence suggests that violence is often related to the behaviour management of students with disability (diagnosed or otherwise) and students exposed to family violence or other trauma.

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## Principal health and wellbeing

2022–23

DET has undertaken additional targeted programs and activities since 2017 to address student wellbeing and occupational health and safety in schools. This includes the school-wide positive behaviour support framework, the Protective Schools Package and a range of employee wellbeing and operational policy reforms, such as the safety at work for school staff initiative.

This audit will examine if DET is monitoring the frequency and impact of occupational violence and evaluating the effectiveness of its strategies and programs. We will also assess if schools have sufficient capability to proactively respond to occupational violence and support staff and students when incidents occur.

**Proposed agencies** DET and a selection of government schools.

**Objective** To determine whether DET is protecting the mental health and physical wellbeing of its school principals.

**Issues** School principals' responsibilities are varied and complex. Principals must lead and manage the planning, delivery, evaluation, and improvement of their students' education by strategically deploying resources provided by DET and the school community. Principals serve as the executive of the school council, are accountable for their school's compliance with regulatory and legislative requirements and DET's policies and represent DET to the wider school community. In 2019, DET employed a total of 1 541 school principals.

The 2018 Australian Principal Occupational Health, Safety and Wellbeing Survey found that school leaders reported 1.6 times higher burnout rates and 1.7 times more stress from their role compared to the general population. In 2018, DET introduced the *Principal Health and Wellbeing Strategy 2018–21* (the Strategy), which aims to protect and promote the mental and physical health and wellbeing of Victorian school principals.

The Strategy acknowledges that the complexity and challenges associated with principals' roles can negatively impact their health and wellbeing. Initiatives under the Strategy include a principal mentor program, regional capability building, proactive wellbeing supervision, principal health checks, a complex matter support team, and an early intervention program that aims to prevent health and wellbeing risks from escalating. These initiatives support a range of existing initiatives and supports that are provided to principals.

This audit will examine the effectiveness of the Strategy and assess if DET is protecting the mental and physical wellbeing of its school principals.

**Proposed agencies** DET and a selection of government schools.

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## School management of international students

2022–23

**Objective** To determine whether DET and government schools are complying with the requirements of the International Student Program.

**Issues** The international education sector is worth \$11.8 billion annually to the Victorian economy across higher education, vocational education and training, English language training and secondary school education. While the school sector comprises a small proportion of the 227 000 international students in Victoria, the Victorian Government sees it as a strategic pathway into the significant tertiary education market. The International Student Program provides educational and social benefits to Victorian students by building their intercultural and global citizenship skills.

In October 2018, 5 530 international students were enrolled in Victorian Government schools. DET manages these enrolments through its International Student Program (ISP) and accredits schools to deliver the ISP. The accreditation process requires schools to implement the ISP according to the conditions of DET's registration on the Commonwealth Register of Institutions and Courses for Overseas Students. The conditions of this registration require DET, through its schools, to provide student welfare and support and manage third-party service providers, such as education agents and homestay arrangements, according to the Commonwealth legislative and regulatory requirements.

This audit will assess if DET is managing the ISP to ensure that schools are delivering the program in accordance with its requirements. We will also examine if DET is effectively monitoring third-party ISP service providers and has a system-wide view of enrolment and transparent policies for setting enrolment caps.

**Proposed agencies** DET and a selection of government schools.



# Environment and planning

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## Delivering the Solar Homes Program

2020–21

**Objective** To determine whether the Solar Homes Program is enabling Victorian households to reduce their carbon emissions and control their power bills.

**Issues** Solar Victoria, within DELWP, delivers the government's Solar Homes Program (the Program). The Program aims to reduce the state's carbon emissions by four million tonnes and generate 6.25 per cent of the state's target of 50 per cent renewable energy by 2030.

Launched in August 2018, Solar Victoria designed the Program to encourage Victorian households to take practical action on climate change by providing rebates for solar panel system installation, solar hot water system installation and a range of energy efficiency measures. Solar Victoria intends for the Program to support the installation of 700 000 solar photovoltaic systems, 10 000 solar batteries and 60 000 solar hot water systems across the state over its 10-year life span.

In July 2019, solar industry members claimed that poor implementation of the Program, including its monthly quotas for rebates and confusing and onerous requirements, is contributing to job losses and business closures.

Safety and quality issues for systems installed under the Program have also been reported. In October 2019, the government banned a solar energy company that installed more than 500 solar systems from the Program after Solar Victoria found that it had used unlicensed electricians.

This audit will focus on Solar Victoria's implementation of the Program, as well as the process and quality of its service delivery.

**Proposed agency** DELWP (Solar Victoria).

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## Protecting Victoria's biodiversity

2020–21

**Objective** To determine if Victoria's biodiversity decline is being halted.

**Issues** Biodiversity, which is the number of native plant and animal species our environment supports, has decreased in Victoria. Native plants and animals become extinct or threatened when their habitats change or are destroyed. Human activity, including land clearing and development, the fragmentation of native vegetation and water pollution can change and destroy habitats.

Between one quarter and one third of all of Victoria's terrestrial plants, birds, reptiles, amphibians and mammals, along with numerous invertebrates and ecological communities, are considered threatened with extinction. Climate change will also continue to affect habitats and threatened species if we do not plan for and address it.

Despite the efforts of governments, non-government organisations, communities and individuals over many decades, the number of threatened species has continued to increase. Australia has the highest extinction rate over the last 200 years of any country, even though it is less populated than many countries.

The *Flora and Fauna Guarantee Act 1988* (FFG Act) is the key piece of Victorian legislation that covers the conservation of threatened species and communities and the management of potentially threatening processes. There are currently over 700 threatened species and communities in Victoria and 42 threats listed under the FFG Act.

In 2017, DELWP released the state's current biodiversity management plan, *Protecting Victoria's Environment—Biodiversity 2037* (Biodiversity 2037), to stop the decline of our biodiversity. Biodiversity 2037 shifts the conservation approach away from managing individual threatened species to broader scale threat and ecosystem management that benefits multiple species.

Biodiversity 2037 establishes change in suitable habitat as the key measure DELWP will use to assess the most effective options for improving the future of native species across the state under climate change. Change in suitable habitat is the increase in likelihood that a species will still exist in a location at a future point in time (for example, 50 years) in response to sustained management of relevant threats.

The audit will assess how responsible agencies are implementing Biodiversity 2037 and how well its targets are being achieved.

**Proposed agencies** DELWP, DJPR, Parks Victoria and Trust for Nature.

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## Supplying and using alternative water sources

2020–21

**Objective** To determine whether responsible agencies are increasing the use of alternative water sources to meet future demand.

**Issues** Victoria's liveability and economic security depend on a safe and reliable water supply.

The government and water authorities expect the demand for water in Melbourne and peri-urban regions to almost double over the next 50 years due to population growth. At the same time, annual flows from major water supply catchments will potentially decrease by more than 40 per cent due to climate change.

Using a diverse range of water sources can improve water security. Alternative, sustainable water sources include treated wastewater and harvested stormwater. Our current water storages and desalination plant do not supply these types of water.

The 2016 *Water for Victoria* plan (the Plan) is the government's long-term strategic plan to manage the state's water resources. The Plan recognises the need to reduce our reliance on traditional drinking water sources through alternative means and sets targets to achieve this.

Barriers to successfully implementing non-potable recycled water projects include the cost of recycled water, inaccurate or poor demand projections for recycled water, and the community's attitudes to recycling water. In addition, government projections suggest that under worst-case climate change scenarios, demand for water could be greater than our potable water supplies by 2028.

This audit will examine water authorities and responsible agencies' initiatives to meet the state's current and future demands for drinking water.

**Proposed agencies** Barwon Water, City of Greater Geelong, DELWP, and the Environment Protection Authority Victoria.

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## Domestic building regulation and dispute resolution

2021–22

**Objective** To determine whether the Victorian Building Authority and Domestic Building Dispute Resolution Victoria provide effective protection to domestic building consumers.

**Issues** The Victorian Building Authority (VBA) regulates the state's building and plumbing industries. It is also responsible for registering and disciplining building practitioners and undertaking inspections.

In April 2017, the government established Domestic Building Dispute Resolution Victoria (DBDRV) within DJCS. DBDRV provides free services to help resolve domestic residential building disputes. The service aims to resolve building disputes before they reach the Victorian Civil and Administrative Tribunal.

Constructing or renovating a home is often the largest investment that Victorians make in their lifetime. For this reason, it is important that they are protected by a well-functioning regulatory and dispute resolution framework. Our 2015 audit *Victoria's Consumer Protection Framework for Building Construction* found that the consumer protection framework in place at the time did not provide adequate protection.

In line with the themes of our 2015 audit, this audit will assess if the changes that have been made to the domestic building regulation system effectively protect consumers.

**Proposed agencies** DJCS (including Consumer Affairs Victoria and DBDRV) and VBA.

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## Implementing *Plan Melbourne 2017–2050*

2021–22

**Objective** To determine the extent to which implementation of *Plan Melbourne 2017–2050* is supporting productivity, sustainability and liveability.

**Issues** Melbourne is the fastest growing city in Australia. By 2051, the city's population is projected to grow from 4.6 million to almost 8 million, with Victoria's total population set to reach 10 million. Today, population growth, increased congestion, climate change, and increased globalisation are already testing the resilience of Melbourne's built and natural environments.

*Plan Melbourne 2017–2050* (Plan Melbourne) is the government's overarching policy for responding to these challenges. The separate *Five-year Implementation Plan* (the Implementation Plan) accompanies Plan Melbourne. This outlines what actions the government will take to realise Plan Melbourne's intended outcomes. DELWP is overseeing the Implementation Plan.



To deliver Plan Melbourne, all levels of government, the private sector and the community need to coordinate sustained actions. In its oversight role, DELWP is required to lead the implementation process across agencies. This includes ensuring that agencies accept their responsibilities and resource their allocated actions. The Victorian Planning Authority (VPA) also plays a key role as an implementation partner with lead or joint responsibility for several of the actions.

This audit will examine how well Plan Melbourne's intended outcomes are being achieved, and if a sound and integrated governance framework underpins its implementation.

**Proposed agencies** DELWP, DJPR, Maroondah City Council, Moonee Valley City Council and VPA.

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## Managing the impact of deer

2021–22

**Objective** To determine the extent to which invasive deer species are managed to protect biodiversity values.

**Issues** Invasive species destroy habitats, threaten biodiversity and reduce overall species diversity and abundance. One of the most problematic invasive species in Victoria is deer, and their growing number is an environmental, social and economic issue for the state.

Deer affect agricultural land by grazing, trampling, spreading weeds and soil-borne disease, and damaging fences and crops. They also carry livestock diseases and parasites that contaminate drinking water and put pressure on threatened species and communities. DELWP estimates 1 080 species of flora and fauna would benefit from controlling deer.

The Parliament of Victoria's 2017 *Inquiry into the Control of Invasive Animals on Crown Land* (the Inquiry) confirmed that the increasing number of invasive species across the state is damaging the environment, affecting agriculture and reducing liveability. The Inquiry noted that Victoria's complex legislative frameworks and lack of clear lines of responsibility have contributed to inefficiencies in controlling invasive species.

Victoria does not currently have a statewide approach to managing deer. In 2018, DELWP and DJPR developed a draft deer strategy. This strategy aims to provide a coordinated statewide approach to managing deer and is expected to be finalised in 2020. This audit will examine the early implementation of the strategy and its governance arrangements and achievements to date.

**Proposed agencies** Alpine Shire Council, DELWP, DJPR, Game Management Authority, Mansfield Shire Council, Murrindindi Shire Council and Parks Victoria.

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## Biosecurity of plants

2022–23

**Objective** To determine whether actions to prevent, manage and respond to plant diseases and pests protect Victoria's economy, communities, and the environment.

**Issues** Exotic pests and diseases pose significant risks to Victoria's agricultural industry and the wider economy, communities and environment. Effective plant biosecurity practices are important to minimise these risks.

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## Hazardous waste management

2022–23

Australia's biosecurity framework is complex. While the Australian Government is responsible for most of the biosecurity practices pre-border and at the border, state and territory governments manage biosecurity risks within their own borders and administer their own plant protection legislation.

Inconsistent or ineffective biosecurity practices across states and territories can weaken Australia's overall biosecurity framework. Victoria needs to ensure that its biosecurity approach is effectively supporting the implementation of its legislative framework, as well as national requirements.

This audit will examine the effectiveness of Agriculture Victoria's biosecurity practices in preventing, managing and responding to diseases and pests that affect plants.

**Proposed agency** DJPR (Agriculture Victoria).

**Objective** To determine whether responsible agencies' control and regulation of hazardous waste has reduced inappropriate disposal.

**Issues** Hazardous waste, which Victoria's environment protection laws refer to as prescribed industrial waste (PIW), is the hazardous by-product of everyday goods and services such as manufacturing, food outlets and hospitals. It also includes asbestos and contaminated soil.

PIW can adversely impact human health and wildlife and lead to the long-term contamination of land, waterways and groundwater. The *Environment Protection (Industrial Waste Resource) Regulations 2009* regulates how PIW is managed. The Environment Protection Authority Victoria (EPA) Industrial waste resource guidelines (IWG) set the requirements for how PIW is transported and disposed of. The IWG also outlines threshold values for the hazard categorisation and management of soil and solid industrial waste.

Illegal dumping of PIW is a significant problem for the state. Major fires in 2018 and 2019, which significantly damaged some Victorian communities, were caused by inappropriately-stored hazardous chemicals. Warehouses, vacant lands, parks and forests are also becoming illegal dumping grounds for asbestos. This poses a risk to the community and costs taxpayers hundreds of thousands of dollars every year in clean-up costs.

This audit will examine agencies that are responsible for controlling and regulating PIW. We will focus on these agencies' knowledge, information systems, monitoring and enforcement actions, and infrastructure planning to assess if they are meeting the expected targets and benefits outlined in the relevant policies and legislation.

**Proposed agencies** DELWP, EPA, Maribyrnong City Council, Metropolitan Waste Resource Recovery Group, Sustainability Victoria, Whittlesea City Council and WorkSafe Victoria.

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## Managing land-use buffers

2022–23

**Objective** To determine whether the management of land-use buffers is promoting public health, safety and liveability.

**Issues** Land-use buffers and separation distances can help to manage the location and siting of industries, residential development and community amenities such as schools and playgrounds. Buffers are used to minimise land-use conflicts and manage amenity impacts, such as noise, odour and air quality.

Problems arise when residential areas are located in close proximity to potentially hazardous pollutants. These problems are only likely to intensify as the population grows and residential development encroaches on buffers established to separate residential areas from industry and waste management facilities.

Due to urban growth, residential developments are expanding close to landfills and industrial sites. Landfills, whether open or closed, present a range of challenges due to odour, dust, windblown litter and landfill gas risks.

Planning approaches to address land buffer issues vary, are complex and often lead to inconsistent decision-making. For example, a longstanding planning issue is how to best manage the interface between industries and sensitive land uses.

This audit will examine how responsible agencies manage land-use buffers, particularly in areas where negative impacts have arisen from changing land-use patterns.

**Proposed agencies** DELWP, Environment Protection Authority Victoria, and a selection of councils in growth corridors.

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## Water authorities' contributions to reducing greenhouse gas emissions

2022–23

**Objective** To determine whether water authorities are reducing their greenhouse gas emissions to mitigate climate change impacts.

**Issues** The Victorian water sector is the single largest source of the state government's greenhouse gas emissions. In 2016, the water sector contributed to 24 per cent of the government's total greenhouse gas emissions. These emissions were primarily associated with sewage treatment. There is significant variation in how different water authorities plan to reduce their greenhouse gas emissions.

The government's 2016 *Water for Victoria* plan (the Plan) is the state's climate change adaptation plan for the water sector. The Plan requires Victorian water authorities to achieve net zero emissions by 2050. Additionally, the Minister for Water issued a *Statement of Obligations (Emission Reduction)* in 2018 that requires water authorities to collectively reduce their emissions by 42 per cent before 1 July 2025.

This audit will examine the water authorities' initiatives to achieve their greenhouse gas emissions targets. We will also assess how well these initiatives are contributing to mitigating the impact of climate change.

**Proposed agencies** DELWP, Goulburn Valley Region Water Corporation, Melbourne Water, North East Region Water Corporation and Yarra Valley Water.



# Health and human services

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## Clinical governance

2020–21

**Objective** To determine whether clinical governance has improved across the public health system through implementation of the accepted recommendations of *Targeting Zero: Supporting the Victorian hospital system to eliminate avoidable harm and strengthen quality of care*.

**Issues** In 2016, the Minister for Health commissioned a wideranging review of clinical governance in response to the avoidable deaths of seven infants at Bacchus Marsh Hospital, part of Djerriwarrh Health Services. The review, *Targeting Zero: Supporting the Victorian hospital system to eliminate avoidable harm and strengthen quality of care* identified systemic clinical governance issues, which increase the risk of harm occurring in hospitals across the system. The review made 178 recommendations focused on improved data collection and analysis, better engaging clinical expertise and enhancing safety in the system.

DHHS accepted all recommendations and incorporated them into a response plan—*Better, Safer Care: Delivering a world-leading healthcare system*. These recommendations require that DHHS significantly improve its collection and analysis of data, and how it enacts its role in ensuring strong clinical governance in the public hospital system. The changes are underpinned by new structures and two specialist agencies within DHHS—Safer Care Victoria and the Victorian Agency for Health Information.

This audit will examine whether DHHS, its specialist agencies and a selection of health services have implemented accepted recommendations and the impact of these activities on clinical governance across the sector.

**Proposed agencies** DHHS (including Safer Care Victoria and the Victorian Agency for Health Information), Ballarat Health Services, Djerriwarrh Health Services, Melbourne Health and Peninsula Health.

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## Clinical trials in public hospitals

2020–21

**Objective** To determine whether the governance of clinical trials in public hospitals ensures patient safety.

**Issues** Clinical trials are vital for discovering new treatments for diseases and to improve the health and quality of life for patients. The Therapeutic Goods Administration, which is part of the Health Products Regulation Group in the Australian Department of Health, regulates the use of therapeutic goods supplied in Australian clinical trials. It assesses and monitors therapeutic goods available in Australia to ensure that they meet an acceptable standard.

Public hospitals are responsible for ensuring that their staff adhere to the significant range of governance and regulatory requirements while undertaking clinical trials. The pharmaceutical industry makes a significant investment in research, which means that public entities should have rigorous processes to avoid conflicts of interest.

This audit will examine whether audited agencies have and implement a robust governance framework to ensure that clinical trials align with governance and regulatory requirements.

**Proposed agencies** Alfred Health, DHHS, Northern Health, Peter MacCallum Cancer Centre and the Victorian Comprehensive Cancer Centre.

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## Supporting sexual and reproductive health

2020–21

**Objective** To determine whether Victorian women can readily access sexual and reproductive health information and services to support their health and wellbeing.

**Issues** Sexual and reproductive health issues affect the wellbeing of Victorian women. These issues include family planning, endometriosis, polycystic ovary syndrome and the symptoms of menopause.

To better support the health of Victorian women, the government launched the *Women's sexual and reproductive health: key priorities 2017–2020* (the Key Priorities). The priorities include improving citizens' knowledge and capacity to manage fertility, providing services in respectful and culturally safe ways, improving access to reproductive choices and improving services for women with endometriosis, polycystic ovary syndrome or those who are experiencing menopause.

Victoria has legislation to ensure that women have the right to exercise reproductive choices, but barriers and service gaps remain that affect women's access to affordable health care, contraception and termination services across the state.

This audit will examine whether, through the implementation of the Key Priorities, women's access to sexual and reproductive health information and services is improving in line with the intended outcomes.

**Proposed agencies** DHHS, Goulburn Valley Health, Monash Health and The Royal Women's Hospital.

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## Effectiveness of the Enhanced Maternal and Child Health program

2021–22

**Objective** To determine whether the Enhanced Maternal and Child Health program leads to improved access, participation and outcomes for vulnerable children and their families.

**Issues** DHHS delivers the Maternal and Child Health (MCH) Service for all Victorian families with children from birth to school age. It recognises that adverse prenatal or early childhood experiences, such as neglect, abuse, family violence and sustained poverty, may negatively impact a person's health, wellbeing, learning and development.

The MCH Service offers holistic, multidisciplinary care that targets infants, children and the parent–child relationship. It includes the Enhanced Maternal and Child Health (EMCH) program, which supplements the universal care provided to all families across Victoria. The EMCH program offers case coordination services and gives an additional 20 hours of targeted care to families who are at greater risk of poor outcomes (22.67 hours for families in regional and rural areas).

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## Health and wellbeing of the medical workforce

2021–22

Before 1 January 2019, DET oversaw all MCH Services. Responsibility for these services was transferred to DHHS following the November 2018 state election. DHHS now leads, funds, monitors and evaluates the EMCH program, while local government coordinates and contracts its service delivery.

In 2017–18, the Victorian Government committed \$37.7 million to progressively expand the EMCH program. As part of this, DET raised the maximum age threshold from 12 months to three years and increased the average hours of care delivered to each family from 15 to 20.

This audit will assess the EMCH program's methodology, delivery and outcomes.

**Proposed agencies** City of Casey, DET, DHHS, Hobsons Bay City Council, Mildura Rural City Council, Municipal Association of Victoria, South Gippsland Shire Council and Yarra City Council.

**Objective** To determine whether responsible agencies meet their obligations to support good health and wellbeing in the medical workforce.

**Issues** Medical practitioners need to be healthy to deliver high-quality health care to their patients and the community, and to find reward and satisfaction in providing health care. Under occupational health and safety legislation, health services are obliged to eliminate or minimise risks to the health and safety of their employees.

For the medical workforce, risks include:

- bullying and harassment
- occupational violence
- fatigue
- mental health stressors, such as:
  - long and unpredictable working hours
  - repeated exposure to trauma, violence and death
  - difficult interpersonal interactions
  - high professional expectations.

These workplace risks can be eliminated or minimised with a range of controls, such as positive cultural initiatives, policies, training and education.

This audit will examine the effectiveness of DHHS's, WorkSafe Victoria's and health services' initiatives on improving the health and wellbeing of the medical workforce.

**Proposed agencies** Albury Wodonga Health, Austin Health, DHHS, St Vincent's Health, VPSC and WorkSafe Victoria.

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## Management of the alcohol and other drugs sector

2021–22

**Objective** To determine whether DHHS's management of the alcohol and other drugs sector facilitates service delivery that achieves harm reduction.

**Issues** Alcohol and other drug (AOD) problems have significant impacts on individuals, their families and their communities. It impacts not only the health system, but also child and family services, family violence services and law enforcement. The social impacts of AOD use are pervasive and include criminal activity and engagement with the criminal justice system, victimisation and road trauma.

In Victoria, DHHS is responsible for monitoring AOD services and system performance, identifying opportunities and risks, and driving improvement.

In 2014, the Victorian Government used a competitive tender process to partially recommission AOD treatment services. Adult community service providers rolled out these new services in August 2014. Aboriginal, youth and residential services were not recommissioned.

In September 2015, the Victorian Government commissioned an external review that examined the new arrangements for AOD and mental health community support services delivery. The review made a range of recommendations to DHHS, including that it:

- review its central intake process and move the assessment function back to service providers
- improve data collection and reporting
- undertake a comprehensive review of the funding model.

This audit will examine the effectiveness of DHHS's management and oversight of the AOD sector and service providers.

**Proposed agency** DHHS.

**Associated entities** North Richmond Community Health, Turning Point and UnitingCare ReGen.

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## Public pathology services in Victoria

2021–22

**Objective** To determine whether public pathology services in Victoria are cost-effective.

**Issues** Pathology is a medical specialty that focuses on determining the cause and nature of diseases by examining and testing body tissues and fluids. Some public health services have in-house pathology providers, while others outsource to private providers.

There have been concerns regarding the accessibility and quality of pathology services of private providers, specifically where they have shifted pathology testing from hospitals to offsite locations. Other jurisdictions have consolidated public pathology services into a single statewide service in response to increased demand for services and to achieve economies of scale.

This audit will examine current arrangements of public pathology services and assess whether they are achieving value for money.

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## Aboriginal health outcomes

2022–23

**Proposed agencies** DHHS, Health Purchasing Victoria and a selection of health services.

**Associated entities** A selection of pathology providers providing services to Victorian public hospitals.

**Objective** To determine whether DHHS is improving health outcomes for Aboriginal Victorians.

**Issues** There is a significant gap between the health status of Victoria's Aboriginal population and non-Aboriginal population. Although there are some areas of improvement, many areas have seen no change and some are getting worse.

The Victorian Government has several initiatives designed to give Aboriginal people better access to healthcare services to improve their health and life expectancy and reduce child mortality.

*Koolin Balit: Victorian Government strategic directions for Aboriginal health 2012–2022* is the Victorian Government's and Aboriginal community's strategic direction for Aboriginal health. It sets out what DHHS, together with Aboriginal communities, other parts of government and service providers, will do to achieve the government's commitment to improve Aboriginal health.

*Korin Korin Balit-Djak: Aboriginal health, wellbeing and safety strategic plan 2017–2027* details how DHHS will work with Aboriginal communities, community organisations, other government departments and mainstream service providers to improve the health, wellbeing and safety of Aboriginal people in Victoria.

This audit will examine the progress and outcomes of these and other key Aboriginal health initiatives in improving the overall health status of Victoria's Aboriginal population.

**Proposed agency** DHHS.

**Associated entities** Bendigo and District Aboriginal Co-operative, Victorian Aboriginal Community Controlled Health Organisation and Victorian Aboriginal Health Service.

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## Governance and accountability in DHHS

2022–23

**Objective** To determine how well DHHS's governance enables the achievement of its vision, objectives and outcomes.

**Issues** DHHS is responsible for developing and delivering policies, programs and services that support the health, wellbeing and safety of Victorians. Its vision is 'to achieve the best health, wellbeing and safety of all Victorians so that they can live a life they value'.



DHHS's total expenses for 2019–20 is budgeted to be \$27.53 billion, as per the departmental statement of finances in *Budget Paper No. 5*. DHHS's secretary is directly responsible for its management and is supported by an executive board (made up of six deputy secretaries), which receives advice and recommendations from 13 subcommittees. There are also three administrative offices that report directly to the executive board.

We undertook six performance audits involving DHHS in 2018–19 that identified common weaknesses in aspects of system oversight, performance monitoring and strategic planning. Further, *Targeting zero*—the review of hospital safety and quality assurance in Victoria—found significant weaknesses in DHHS's oversight and support of hospitals.

Collectively, this indicates opportunities to strengthen DHHS's own governance and accountability processes. This audit will assess whether DHHS's governance framework enables it to meet its vision, objectives and intended outcomes.

**Proposed agency** DHHS.

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## Kinship care

2022–23

**Objective** To determine whether DHHS's kinship care model is supporting timely, stable and quality placements for children and young people.

**Issues** Kinship carers provide care to children and young people when they cannot live with their parents. Children and young people who enter kinship care have often experienced abuse and neglect. Kinship carers make a significant commitment and often require training to deal with the challenging behaviours that children and young people can display as a result of trauma. Kinship care is increasingly the preferred placement option and is the fastest growing form of out-of-home care (OOHC) placement.

In December 2017, the Victorian Ombudsman's report *Investigation into the financial support provided to kinship carers* found issues with the statutory kinship placement system, such as DHHS failing to complete kinship assessments and kinship carers receiving far less financial support than foster carers.

The lack of access to support for kinship carers also disproportionately affects Aboriginal and Torres Strait Islander communities, carers, children and young people. Aboriginal and Torres Strait Islander children account for about 25 per cent of the total amount of children in OOHC but make up less than one per cent of the Victorian population.

DHHS introduced a new Kinship Care Model in March 2018. This audit will examine whether DHHS is achieving the model's aims, which include early identification of kinship networks, reunification where appropriate, and stable, high-quality placements.

**Proposed agency** DHHS.

**Associated entities** The Victorian Aboriginal Child Care Agency and a selection of kinship care service providers.

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## Management of non-clinical services in Victorian hospitals

2022–23

**Objective** To determine whether non-clinical services in Victorian public health services are cost-effective.

**Issues** Health services are responsible for a wide range of non-clinical services, such as building maintenance, security, linen, cleaning, waste services, managed equipment services, transport and sterilisation.

These services are either managed directly by health services, contracted out to private providers or managed by the relevant private entity if a public–private partnership arrangement exists. Health Purchasing Victoria negotiates collective contracts for some common-use services, such as catering supplies and waste management.

Non-clinical services are essential to support the delivery of patient care in hospitals. However, the associated costs and efficiency of these services are unknown.

This audit will assess whether health services achieve value for money in relation to non-clinical services.

**Proposed agencies** Barwon Health, DHHS, Health Purchasing Victoria, Melbourne Health, Monash Health and St Vincent’s Health.



# Infrastructure and transport

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## Integrated transport planning

2020–21

**Objective** To determine whether DoT is demonstrably integrating its transport planning.

**Issues** Challenges associated with Victoria's sustained strong population growth and increasing congestion in metropolitan Melbourne mean an integrated transport system is more important than ever for the state's economic prosperity and liveability. The *Transport Integration Act 2010* (the Act) charges DoT with delivering an integrated transport system, which necessitates leading the planning, coordination and operation of Victoria's transport system and agencies. The transport system objectives set out in the Act include effective integration of transport and land use to facilitate access to social and economic opportunities.

The Act requires DoT's secretary to develop and regularly update a transport plan that demonstrates an integrated approach to transport and land-use planning. DoT has communicated its purpose to unify transport planning across modes, taking a system view to make services focus more on users.

From 1 July 2019, the former VicRoads and Public Transport Victoria became part of DoT, creating an integrated transport department.

This audit will examine DoT's progress in delivering an integrated transport plan and system-wide approach, as required by the Act.

**Proposed agency** DoT.

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## Major infrastructure program delivery capability

2020–21

**Objective** To determine whether relevant public sector agencies have strategically planned the material and human resources needed to deliver major infrastructure programs.

**Issues** Victoria's population is expected to increase by around 50 per cent by 2046. As the state's population increases, new infrastructure is necessary to meet community needs.

In the 2019–20 state budget, much of the Victorian Government's confirmed capital investment of \$61.69 billion is focused on transport infrastructure, including \$36 billion for road and rail upgrades. The large and complex capital projects pipeline places pressure on the capacity and capability of the public sector to plan, analyse and oversee major projects.

In September 2016, the government established the Office of Projects Victoria within DTF to 'provide project oversight and assurance so projects are delivered on time and on budget, and the full benefits of the investment are realised for Victorians'.

In the *Victorian State of Engineering Report 2019*, the Office of Projects Victoria recognises challenges arising from the increased investment in public infrastructure, including a need to improve technical skills and project leadership so that project delivery capability can be improved and made more repeatable. In addition, Victoria also faces availability and cost pressures on basic construction materials, such as sand, rock and gravel.

This audit will examine whether responsible agencies are strategically planning for the material and human resources needed to deliver major infrastructure programs.

**Proposed agencies** DJPR, DoT (including Major Transport Infrastructure Authority) and DTF (including the Office of Projects Victoria, Gateway and High Value High Risk units).

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## Major projects performance

2020–21

**Objective** To determine the extent to which major capital projects are meeting scope, cost, time and benefits expectations.

**Issues** Victoria has an expansive list of capital projects underway. In 2019–20, the Victorian Government reported \$107 billion in funded projects, with another estimated \$150 billion in projects announced but not yet funded. *Budget Paper No. 4—State Capital Program* is the key public resource on the estimated expenditures of recently completed projects, projects underway and newly funded projects. This document does not expressly highlight project time and cost pressures or benefits realisation.

Research has identified a tendency to underestimate costs and overestimate benefits during projects' conceptualisation and approval processes, which is a symptom of optimism bias. In major state capital projects, this can have consequences for Victorians, such as delays in obtaining needed infrastructure or increased costs to the state.

This audit will review and assess a selection of major capital project outcomes to provide transparency and clarity to taxpayers and Parliament about public investment in capital projects and whether targets and expectations are being met. These results will be collated and reported in a public-facing performance dashboard.

**Proposed agencies** DTF and all general government sector agencies and public non-financial corporations with individual capital projects that are estimated to cost more than \$100 million.

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## Follow-up of Managing the Level Crossing Removal Program

2020–21

**Objective** To assess whether DoT (formerly the Department of Economic Development, Jobs, Transport and Resources) and the Major Transport Infrastructure Authority (formerly the Level Crossing Removal Authority) have effectively implemented the recommendations made in our *Managing the Level Crossing Removal Program* audit (December 2017) and addressed the underlying issues that led to the recommendations being made.

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## Melbourne Metro Tunnel project— Phase 2: main works

2021–22

**Issues** We ask agencies each year to attest to their progress in responding to and monitoring recommendations from previous performance audits. Using these attestations and other sources of intelligence, we then select past performance audits to follow-up.

The follow-up performance audits are limited to the review of the recommendations made by the Auditor-General to the selected agencies, including whether and how effectively:

- agencies have responded to the performance audit recommendations
- the actions taken have addressed the root issue that led to each recommendation.

**Proposed agencies** DoT (including Major Transport Infrastructure Authority).

**Objective** To determine whether the main tunnel and stations works for the Melbourne Metro Tunnel are being delivered as planned.

**Issues** The \$11 billion Melbourne Metro Tunnel project's twin tunnels and underground stations are currently under construction.

A private sector consortium called Cross Yarra Partnership is delivering these works under an availability public-private partnership (PPP) contract with Rail Projects Victoria, which is part of the Major Transport Infrastructure Authority within DoT. DoT is acting as the contract manager.

The main works being delivered by the PPP include tunnelling, excavating and constructing five underground stations, station fit-out, mechanical and electrical systems and specific maintenance services.

Other projects that are relevant to the expected future benefits from the tunnel include:

- the High Capacity Metro Trains Project PPP, which is worth \$2.3 billion (net present cost)
- a high-capacity signalling project, which is being delivered by Rail Systems Alliance and is worth \$1 billion
- network interface and preparation works, which is being delivered by Rail Infrastructure Alliance and is worth \$1 billion.

This audit will review the responsible agencies' performance in terms of the scope, time, cost and quality achieved against the project's expectations and targets within the main tunnel and stations works package.

**Proposed agencies** DoT (Rail Projects Victoria within the Major Transport Infrastructure Authority) and DTF.

**Associated entities (if required)** Cross Yarra Partnership (tunnels and stations PPP), Metro Trains Melbourne and Yarra Trams.

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## Planning and management of metropolitan bus services

2021–22

**Objective** To determine whether metropolitan bus services integrate with the wider transport network and meet expected service demand.

**Issues** Melbourne’s bus network consists of 350 regular bus routes that cover over 5 500 kilometres and are serviced by approximately 1 700 buses. In 2018, Infrastructure Victoria found that 40 per cent of this bus network is underperforming.

Our previous audits have identified the lack of contract and performance management mechanisms as significant issues in bus contracts. New bus contracts began on 1 August 2018 and require operators to meet performance targets.

DoT is the lead transport agency. DoT’s role is to consolidate and focus transport planning across modes and lead the development of an integrated transport plan. DoT also plays a key role in the management and planning of bus services.

As Melbourne grows, effective bus services are increasingly important. This audit will assess whether bus service planning and delivery provide commuters with reliable and connected services.

**Proposed agencies** DTF, DoT and the Victorian Planning Authority.

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## Quality of major transport infrastructure project business cases

2021–22

**Objective** To determine whether business cases for major transport infrastructure projects support informed investment decisions.

**Issues** Victoria’s strong population growth has prompted a significant uplift in government investment in infrastructure. *Budget Paper No. 4—State Capital Program* highlighted \$107 billion of capital projects commencing or underway in 2019–20 and investment averaging \$13.4 billion per year over the budget and forward estimates.

This scale of investment brings significant opportunities and risks that demand rigorous evidence-based analysis to inform government decision-making. Investments must be well scoped, targeted, planned and costed to enhance the chances of timely project delivery that provide value for money and deliver the expected service levels and benefits.

DTF has published extensive guidance on the format and content of business cases for more than a decade. DTF’s *Investment Lifecycle and High Value and High Risk Guidelines* (lifecycle guidelines) highlight the fundamental importance of business cases to sound planning and decision-making on infrastructure investments.

Previous performance audits have identified major infrastructure projects that did not fully adhere to the lifecycle guideline requirements for business case timing, development and content. In some instances, investments commenced before completion of a business case. In others, the project’s costs and benefits specified in the business case were not well-supported, which created the risk that project’s benefits were over-estimated and costs were under-estimated.

This audit will examine a selection of business cases developed by DoT and the Major Transport Infrastructure Authority. The audit will assess how these agencies develop and resource their business cases and engage with external project reviews.

**Proposed agencies** DTF and DoT (including the Major Transport Infrastructure Authority).

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## Maintaining railway assets across metropolitan Melbourne

2022–23

**Objective** To determine whether railways in metropolitan Melbourne are maintained to deliver safe, reliable and punctual train services for commuters.

**Issues** Melbourne operates a fleet of 226 six-carriage trains over 998 kilometres of track on 15 regular-service train lines and one special-events train line. As public transport patronage increases, so does the need for well-maintained rail infrastructure to make sure services remain safe and reliable. This infrastructure is also increasingly under stress from extreme weather. On hot days, trains are frequently cancelled due to rail infrastructure defects. A 2018 report prepared for DELWP found that transport sector losses from very extreme heatwave events are estimated at \$13 million per event. Disruptions also occur when heavy rains flood tracks and stations.

Victorian Rail Track (VicTrack) owns metropolitan rail assets, which it leases to DoT. DoT then leases the assets to the train franchisee, Metro Trains Melbourne, and pays them for maintenance and renewal works. Our December 2016 report *Managing the Performance of Rail Franchisees* found that Public Transport Victoria—now part of DoT—had significant gaps in its asset management strategies and had work to do to meet DTF’s 2016 *Asset Management Accountability Framework*.

This audit will examine how well DoT, VicTrack, V/Line and Metro Trains Melbourne have dealt with rail asset maintenance challenges, including their oversight and prioritisation of asset maintenance activities.

**Proposed agencies** DoT, VicTrack and V/Line.

**Associated entity** Metro Trains Melbourne.

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## Road congestion and public transport

2022–23

**Objective** To determine whether regulatory interventions for road-based public transport on congested roads are working as planned.

**Issues** Despite significant road investments, traffic mobility, trip reliability and productivity are increasingly impacted by traffic congestion across Victoria. In line with Victoria’s growing population, congestion is expected to worsen. For users of road-based public transport, such as trams and buses, congestion can lead to unreliable journeys and extended travel times.

Melbourne’s tram network is the largest in the world. However, according to research by Monash University and an international benchmarking study by the parent company of Yarra Trams, it is now one of the slowest. This is largely because around 80 per cent of the tram network competes for road space with other vehicles. DoT has also acknowledged traffic congestion to be the most significant negative contributor to bus punctuality.

The *Transport Integration Act 2010* requires DoT to operate the road system by managing access and controlling use, including by implementing road space allocation measures to give priority to particular modes of transport at certain times on specified roads or parts of roads.

DoT's *Movement and Place in Victoria* framework aims to manage competing demands for scarce road space. The framework can prioritise certain modes of transport on particular transport corridors according to the surrounding land use and time of the day.

Actions to do this include road engineering treatments, road marking, parking restrictions and information and communications technology ICT systems that can give traffic signal priority for road-based public transport.

This audit will assess whether:

- road space allocation plans and actions align to the *Movement and Place in Victoria* framework
- regulatory road space allocations, such as tram and bus priority lanes, are enforced
- DoT has implemented our recommendations in 2013 and 2014 to improve road-based public transport tracking systems and give trams and buses priority.

**Proposed agencies** DoT, Victoria Police and selected councils.

**Associated entities** Yarra Trams and selected bus operators.

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## Transport network emergency response

2022–23

**Objective** To determine whether the metropolitan public transport network's emergency response arrangements support public safety and service recovery.

**Issues** High-profile emergency incidents in Melbourne and global terrorist attacks have increased focus on whether Victoria's public transport network can ensure the general safety of passengers and recover services if a major emergency event occurs. The *Emergency Management Act 1986* and *Emergency Management Act 2013* are the key legislation for emergency management in Victoria.

The agency responsible for leading responses to an emergency differs depending on the nature of the event. For example, DoT is the lead agency for a major public transport disruption emergency, and Victoria Police is the lead agency for terrorism-related incidents.

Emergency Management Victoria (EMV) is the overarching body responsible for coordinating critical infrastructure resilience strategies and leading widescale emergency responses. EMV is a business unit within DJCS.

Victoria's public transport network has several physical safety and security measures, including armed protective services officers at all suburban and some regional train stations after 6.00 pm. CCTV cameras and emergency assistance buttons are also available on train station platforms and inside train and tram carriages.



This audit will focus on the preparedness of transport agencies to respond to major emergency events affecting the metropolitan transport system.

**Proposed agencies** DJCS (including EMV), DoT and Victoria Police.

**Associated entities** Metro Trains Melbourne, Yarra Trams and other selected public transport operators.



# Justice and community safety

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## Administration of Victorian courts

2020–21

**Objective** To determine whether Court Services Victoria provides the necessary administrative services and facilities for Victorian courts to efficiently and effectively perform their functions.

**Issues** Victorian courts and tribunals aim to deliver justice in a fair, timely and efficient way.

In the past decade, Victoria has experienced a significant increase in demand on the criminal justice system. Court Services Victoria (CSV) predicts that by 2031, the central business district judiciary will see an increase of 26.8 per cent in service demand.

This increase is being driven by factors including bail and sentencing reforms, increased prisoner and remand numbers, the Royal Commission into Family Violence, and the recruitment of 3 000 new police officers.

The legal and managerial issues that judges and magistrates face are also becoming more complex. This is contributing to the need for improved capacity and efficiency in Victorian courts.

The 2018–19 state budget allocated \$127 million over four years to respond to the growing demand for court services. This included funding for 18 new magistrates.

To manage growth, court staff require efficient, reliable and secure administrative systems. Inefficient administration can create delays and bottlenecks in the judicial process, which can lower the community's confidence in the justice system.

CSV is responsible for providing some centralised administrative services, procurement, data warehousing, records management and facilities for Victorian courts, the Victorian Civil and Administrative Tribunal and the Judicial College of Victoria.

This audit will consider if CSV provides effective and efficient administrative services and facilities for Victorian courts to effectively perform their functions.

**Proposed agency** CSV.

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## Reducing the harm caused by gambling

2020–21

**Objective** To determine whether the Victorian Responsible Gambling Foundation is effectively reducing the severity of harm related to gambling.

**Issues** While gambling is a legal activity in Victoria that generates economic benefits for the state, such as revenue and employment, harm from gambling is a public health issue that needs a whole-of-community response. Gambling is available 24 hours a day, seven days a week through smartphones and gambling apps. Widespread promotion and distribution of gambling venues and prolific online gambling options mean that almost any adult, anywhere in the state, can gamble.

More than half a million Victorians experience some sort of harm every year from gambling activities. It is estimated that for every individual who experiences severe gambling harm, up to six other people are affected, including family members, friends and employers.

The social cost of gambling harm is high, having been estimated at \$7 billion per year. The Victorian Responsible Gambling Foundation's (VRGF) studies have found that while fewer people are gambling than in previous years, the people who are gambling are doing so more often and spending more. The majority of gambling harm in Victoria (85 per cent) is experienced by those identified as being in the low and moderate-risk categories for problem gambling, an estimated 350 000 Victorians.

The VRGF undertakes a range of activities to address gambling related harm and meet its vision, mission and strategic objectives, such as providing prevention programs, treatment and support services to people experiencing gambling harm.

This audit will assess whether the VRGF is achieving its mandate to reduce the severity of harm caused by gambling.

**Proposed agency** VRGF.

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## Managing body worn cameras

2021–22

**Objective** To determine whether Victoria Police's use of body worn cameras is underpinned by policies, training, governance and technology that are fit for purpose and support improved public safety.

**Issues** Victoria Police introduced body worn cameras (BWC) as part of a range of technology improvements and as recommended by the Royal Commission into Family Violence. BWCs record victim statements that are used in court, so victims of family violence do not need to provide evidence in person.

The Victorian Government allocated approximately \$42.6 million of funding as part of its 2016–17 \$596 million Public Safety Package to purchase and deploy BWCs. As of November 2019, Victoria Police has rolled out BWCs to 11 000 frontline police officers and protective services officers across the state.

Victoria Police need to appropriately store, use and dispose of footage captured by BWCs. This is essential for supporting victims of family violence, improving community safety, enforcing police accountability and maintaining public trust.

This audit will assess if Victoria Police has appropriate governance arrangements for training staff to use BWCs and store recorded footage. We will also consider if BWCs are supporting better public safety.

**Proposed agency** Victoria Police.

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## Prisoner health services

2021–22

**Objective** To determine whether justice health services in public prisons are cost-effectively meeting prisoners' health needs.

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## The effectiveness of Victoria Police's staff allocation

2021–22

**Issues** The *Corrections Act 1986* states that prisoners have the right to access reasonable medical care and treatment to preserve their health. Effective health services are important for individual prisoners' wellbeing. They also impact prisoners' families and communities after their release. This is because good health is a contributing factor to successful reintegration.

Justice Health (JH) is a business unit of DJCS. It is responsible for providing health care to prisoners, managing contracts with health service providers in public prisons and overseeing health services in private prisons. St Vincent's Hospital provides tertiary care for prisoners.

Prisoners often have higher levels of mental illness, alcohol and drug use, and/or chronic and communicable disease than the general population. In 2018–19, JH incurred approximately \$80.6 million in costs, including \$69.2 million in payments to service providers, to provide health services to prisoners, excluding private prison health service costs.

This audit will assess whether prisoners are receiving cost-effective primary, secondary and tertiary health care that supports their health and wellbeing.

**Proposed agencies** DJCS, Forensicare and St Vincent's Health.

**Associated entities** Caraniche, Correct Care Australasia, G4S and The GEO Group Australia Pty Ltd.

**Objective** To determine whether Victoria Police allocates staff to best meet its operational needs and strategic objectives.

**Issues** Victoria Police's 2016 blue paper *A Vision for Victoria Police in 2025* recognised that its operational model would not meet expected population growth and changing patterns of demand. This is because the geographic distribution of staff had been matched to population size rather than crime rates or the likely need for policing activity.

In response, Victoria Police developed a new Staff Allocation Model (SAM), which is designed to strategically assign staff to a mix of proactive and reactive operations. SAM also aims to more accurately determine how Victoria Police should allocate the core funding available for staff to best meet its needs.

In December 2016, the government announced a \$2 billion investment package to improve community safety. This package included funding for an additional 2 729 police and 100 protective services officers over four years. This is the largest recruitment investment in Victoria Police's 166-year history. Further significant investments have been made through the government's 2016–17 Public Safety Package. To achieve the maximum benefit from these investments, it is critical that Victoria Police deploys these new officers to areas with the greatest need.

This audit will assess Victoria Police's SAM and its other staff allocation methods to determine if it is deploying police resources effectively. We will also assess if the SAM is operating as intended.

**Proposed agency** Victoria Police.

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## Correctional services for people with a cognitive disability

2022–23

**Objective** To determine whether the needs of people with a cognitive disability are met in the corrections system.

**Issues** Sentenced and unsentenced prisoners with cognitive disability are significantly over-represented in Victoria's prisons. A 2011 study showed that 42 per cent of male and 33 per cent of female prisoners had an acquired brain injury, compared to 2 per cent of the general Australian population.

Prisoners with a cognitive disability are among the most disadvantaged groups of people in our community. They are also a highly vulnerable group in prisons. Corrections Victoria (CV) currently has five specialist units for prisoners with a disability, including the Dame Phyllis Frost Centre for women, the privately operated Port Phillip Prison and Ravenhall Correctional Centre, as well as two public prisons—Loddon Prison and Dhurringile Prison. Many prisoners with a cognitive disability are also placed within general prison populations.

When prisoners receive services that are tailored to their needs, it can significantly improve their wellbeing and chances of successfully rehabilitating and reintegrating into the community. The successful reintegration of prisoners is also important because it reduces risks to the broader community.

This audit will investigate if the corrections system is effectively meeting the needs of prisoners with cognitive disability.

**Proposed agencies** DHHS and DJCS.

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## Reducing the harm caused by drugs on Victorian roads

2022–23

**Objective** To determine whether strategies to reduce drug driving are evidence-based and address risk, harm and future demand.

**Issues** Driving under the influence of drugs is a serious road safety issue because it impairs a person's ability to drive. A driver under the influence is a potential hazard to themselves, their passengers and other road users.

In 2018, 4 634 people were charged with a drug driving offence. This is almost equal to the number of people who were charged with alcohol-related offences (5 164 people). Victoria Police predict that drug driving offences will be the biggest challenge for road safety this decade.

The importance of minimising the harm of drugs on Victorian roads is reflected in the government's following initiatives:

- *Towards Zero 2016–2020: Victoria's Road Safety Strategy and Action Plan*
- the alcohol and drug testing vehicles replacement project, which includes a \$15 million funding allocation to provide Victoria Police with 10 new booze and drug buses
- performance measures for DJCS and Victoria Police in the 2019–20 *Budget Paper No. 3* that focus on drug screening tests conducted by booze and drug buses.

This audit will examine whether the current methods to address the impact of drugs on Victorian roads are delivering the intended safety outcomes and being effectively managed.

**Proposed agencies** DoT and Victoria Police.

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## Wellbeing in emergency services

2022–23

**Objective** To determine if Fire Rescue Victoria and Country Fire Authority are supporting their staff and volunteers to maintain their mental health.

**Issues** Emergency services workers are regularly exposed to traumatic incidents that can impair their mental health. Poor workplace practices and culture can also have a similar effect.

Poor mental health has personal consequences for emergency services workers. The stigma associated with reporting mental health issues can lead to negative coping mechanisms, such as alcohol and drug abuse, which can impact workers' private and social lives. Organisationally, poor mental health can result in lower employee productivity. The cost of mental health WorkCover claims is an added impact on fire services.

A 2016 review of the Metropolitan Fire Brigade's (MFB) employee support programs, including mental health strategies, revealed negative findings about its workplace culture, mental health stigma and leadership. It also found that while its employee support program was well-regarded, it was under-resourced and not extensive enough to meet the emerging health risks.

This audit will examine if Fire Rescue Victoria and the Country Fire Authority (CFA) have implemented effective strategies to promote the wellbeing and mental health of their staff and volunteers.

**Proposed agencies** CFA (as a volunteer organisation from mid-2020), DJCS, Fire Rescue Victoria (MFB and CFA will transition to Fire Rescue Victoria in mid-2020) and WorkSafe Victoria.



# Local government and economic development

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## Fraud control over local government grants

2020–21

**Objective** To determine whether fraud and corruption controls over local government grants are well-designed and operating as intended.

**Issues** Victorian councils receive grants from the state and federal governments and also distribute grants to community groups, businesses and individuals. In 2019–20, Victorian councils will receive a total of \$616.3 million in financial assistance grants, including \$455.6 million in general purpose grants and \$160.7 million in local roads grants. The councils in this audit were awarded grants in the 2018–19 financial year varying from \$39 000 to \$913 415.

Past audits on fraud and corruption controls indicate significant weaknesses in agencies' efforts to guard against fraud and corruption.

In 2017, the Local Government Inspectorate released its report *Protecting integrity: Central Goldfields Shire Council investigation*. It found that the council had mismanaged significant grant funding. Following the Inspectorate's investigation, the *Local Government Act 2020* will require councils' audit and risk committees to monitor and provide advice on risk management and fraud prevention systems and controls.

This audit is the second in a series of our audits on fraud and corruption in local government. It presents an opportunity to identify potential fraud and corruption in grants to and from local councils, and to consider how well councils are managing their exposure to fraud risk.

**Proposed agencies** Hume City Council, Knox City Council, Loddon Shire Council, Southern Grampians Shire Council, West Wimmera Shire Council.

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## Maintaining local roads

2020–21

**Objective** To determine whether councils are achieving value for money in maintaining their local roads.

**Issues** Under the *Local Government Act 1989*, Victoria's 79 councils are responsible for the care and management of their local roads. The *Road Management Act 2004* lays out these responsibilities.

Across the state, there are approximately 130 299 kilometres of local roads, which make up 87 per cent of the state's total road network. These include unsealed roads—unformed, formed or gravel—and sealed roads. In 2017–18, Victoria's councils spent almost \$250 million on local roads maintenance.

Councils need to maintain local roads so they are safe and functional, and do so cost effectively and efficiently. This audit will examine whether councils are identifying and implementing efficiencies to maintain their roads in a financially sustainable way.

Other key stakeholders are DELWP and VicRoads. The audit will be alert to how they, and other stakeholders, may impact on councils' road maintenance.

**Proposed agencies** Gannawarra Shire Council, Greater Bendigo City Council, Maribyrnong City Council, Northern Grampians Shire Council, and Yarra Ranges Shire Council.

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## Sexual harassment in local government

2020–21

**Objective** To determine whether local councils provide workplaces free from sexual harassment.

**Issues** The Australian Human Rights Commission's 2018 National Survey found that one in three people over the age of 15 have experienced sexual harassment at work in the past five years. Sexual harassment at work can have wideranging impacts, such as psychological harm, social isolation, health issues and economic loss.

The *Equal Opportunity Act 2010* requires employers to protect employees, volunteers and unpaid workers from sexual harassment in the workplace. In addition, the *Local Government Act 2020* requires each local council to have a Councillor Code of Conduct that outlines expected behaviour for councillors and procedures for resolving complaints or alleged breaches.

Reporting and recording sexual harassment complaints can be complicated, as the behaviour is often accompanied by other forms of victimisation. Unclear and inefficient investigation processes also discourage individuals from making a complaint. The lack of data around sexual harassment makes it difficult for local governments to monitor and understand trends across the sector.

This audit will investigate the prevalence of sexual harassment across the local government sector and assess the effectiveness of councils' actions to detect, respond to and prevent it.

**Proposed agencies** Ararat Rural City Council, Corangamite Shire Council, Frankston City Council, Latrobe City Council and Moreland City Council.

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## Developing Fishermans Bend

2021–22

**Objective** To determine whether planning and early development of Fishermans Bend supports the delivery of the development's objectives.

**Issues** Fishermans Bend is Australia's largest urban renewal project. It covers approximately 480 hectares of central Melbourne, which is more than twice the size of the central business district.

Fishermans Bend's planning and development will have a significant impact on the future liveability of the city. It is expected that by 2050, Fishermans Bend will be home and provide employment to approximately 80 000 people.

In October 2015, a ministerial advisory committee appointed by the Minister for Planning criticised the initial phase of the Fishermans Bend development. Since then, the government has recast the planning for Fishermans Bend to include detailed precinct plans developed in consultation with the community. It has also established the Fishermans Bend Taskforce and the Fishermans Bend Development Board to strengthen project governance.



The *Fishermans Bend Framework* (the Framework) provides guidance for planning approvals and the area's overall development. The Framework sets out the development's objectives as:

- delivering quality, well-planned development
- delivering essential infrastructure
- delivering jobs and generating investment.

This audit will examine whether the relevant departments are effectively managing the planning and early development of Fishermans Bend to support delivery of the development's objectives. It will also examine their effectiveness in responding to the findings and recommendations of the ministerial advisory committee.

**Proposed agencies** DELWP, Development Victoria, DJPR, Melbourne City Council and Port Phillip City Council.

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## Food safety regulation in local government

2021–22

**Objective** To determine whether councils' administration of food safety regulation ensures legislative compliance and supports public health.

**Issues** Under the *Food Act 1984*, councils are responsible for the day-to-day regulation of most food businesses in the state. Councils have registration, enforcement and monitoring responsibilities under the *Public Health and Wellbeing Act 2008* and the *Food Act 1984*.

DHHS administers both Acts and provides guidance to councils in managing their responsibilities.

Each council decides on their own process and resourcing levels for regulatory activities. As a result, approaches vary from council to council.

In 2018–19, the cost of regulating food safety per premise ranged from \$112 to \$1 796, as reported by Local Government Victoria.

The *Local Government Performance Reporting Framework* reports on some metrics related to food safety, but it does not report on the quality or extent of councils' compliance with their regulatory function.

This audit will examine if councils are effectively fulfilling their legislated role in food safety.

**Proposed agencies** DHHS and a selection of councils.

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## Fraud and corruption risk in local government procurement

2021–22

**Objective** To determine whether fraud and corruption controls over local government procurement are well-designed and operate as intended.

**Issues** Fraud and corruption causes financial loss to councils and erodes the public's trust in them. Our past audit on council controls over personal expenditure and councillors' conflicts of interest indicated significant weaknesses in councils' processes.

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## Council waste management services

2022–23

As purchasers of goods and services, councils need processes that prevent or identify and deal with corrupt or fraudulent procurement. This includes strong controls to identify and manage conflicts of interest. Multiple Independent Broad-based Anti-corruption Commission investigations have identified it as an issue in public sector procurement, including at councils.

This audit is the third in a series of VAGO audits on fraud and corruption in local government. It presents an opportunity to identify potential fraud and corruption in council procurement and consider how well councils are guarding against it. The audit also includes the Municipal Association of Victoria (MAV), as it holds a variety of panel contracts for council goods, services and infrastructure.

**Proposed agencies** Banyule City Council, Hepburn Shire Council, MAV, Mitchell Shire Council, Nillumbik Shire Council and Wodonga Regional City Council.

**Objective** To determine whether councils' waste management services provide value for money to their ratepayers.

**Issues** Councils are responsible for the management of household waste and recycling. In 2017–18, Victorian councils spent over \$567 million on the delivery of waste management services.

Recycling collection and disposal costs increased to \$23 per tonne in 2017–18, which is a 20 per cent rise from 2016–17. Contamination of waste also rose to a 10-year high of 10.4 per cent, which increases the risk that waste is not being recycled.

Recent events have increased the risk that councils will not achieve value for money in managing waste. In January 2019, China, previously Australia's biggest export market for recycling waste, restricted waste imports. Further, SKM Recycling, a major domestic recycling company that processed waste from 33 councils, closed in July 2019. These events led to councils diverting recyclable waste to landfill. The state government has responded by providing grants to councils.

This audit provides an opportunity to take a comprehensive look at councils' management of waste services. It will also enable us to benchmark council service delivery costs and identify sector leaders.

**Proposed agencies** Ballarat City Council, Bayside City Council, DELWP, Grampians Central West Waste and Resource Recovery Group, Greater Dandenong City Council, Melbourne City Council, the Metropolitan Waste and Resource Recovery Group and Sustainability Victoria.

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## Regulation of council building approvals in local government

2022–23

**Objective** To determine whether council regulation of building activity ensures that safety and amenity requirements are met and council assets are protected.

**Issues** Under the *Building Act 1993* and the *Building Regulations 2018*, buildings must meet minimum standards of safety and amenity. Councils are responsible for the administration and enforcement of parts of the Act and regulations within their municipality.

Councils can also make local laws to support public safety and amenity in building and construction.

In 2019, the Red Tape Commissioner reviewed the planning and building approvals process in Victoria. This review found weaknesses in councils' building approval processes, including delays and skill and resource gaps in regional areas. The review also found inconsistent use of council mechanisms to protect public safety and amenity, such as construction management plans and asset protection permits.

This audit is the second in a proposed series of audits into local government's regulatory roles. Although there has been recent attention on building regulation and enforcement at the state level, this audit would be an opportunity for us to focus on how well councils protect the safety and amenity of their municipality.

**Proposed agencies** Manningham City Council, Monash City Council, Surf Coast Shire Council, Wangaratta Rural City Council and Wyndham City Council.



# Financial audit work program

Our financial audit program delivers a range of assurance services for public sector agencies.

We conduct financial audits in accordance with the Australian Auditing Standards and relevant professional and legislative requirements. Additional information about the delivery of our financial audits is in Appendix B.

The following section sets out our financial audit work program for 2020–21, which targets matters that provide the greatest value to Parliament and the Victorian community.



# Financial audits

## Reports to Parliament

The COVID-19 pandemic has affected our delivery of reports to Parliament on the results of our financial audits. This year we plan to prepare two reports on state entities, which add to our usual reports on local government and the education sector:

- a summary report to Parliament on the outcome and findings of our audit of the Annual Financial Report of the State of Victoria to meet our legislative responsibilities
- an omnibus report providing more detail on the outcome of findings of our audits of the Victorian public sector in early 2021.

## Auditor-General's report on the Annual Financial Report of the State of Victoria 2019–20

As required under section 57 of the *Audit Act 1994*, the Auditor-General reports to Parliament each year on the outcome of our audit of the Annual Financial Report of the State of Victoria.

This report analyses and provides commentary on key aspects of the financial performance and position of the state. In line with the Act, and where appropriate, it will provide information and recommendations for more effective and efficient management of public resources. This is the only report on our financial audits that is required to be produced each year under the *Audit Act 1994*.

## Results of 2019–20 audits report

Our results of audits reports provide information to Parliament on the outcome of our financial audits of the following sectors:

- state entities
- local government
- technical and further education institutes
- universities.

Each report will provide an analysis of the financial sustainability, performance and position of each sector. Additionally, it will inform Parliament about the strengths and weaknesses in the control environments at entities within the relevant sector and make recommendations to improve these as appropriate.

The timing of tabling these reports will depend on any consequential impacts to financial reporting requirements and time lines for the local government and education sector as a result of the COVID-19 pandemic.

## Attestation of agency reports and statements

We must:

- undertake annual audits of the financial reports of all state and local government agencies and express an audit opinion thereon
- audit and express an opinion on performance statements prepared by agencies
- review the Estimated Financial Statements for the General Government Sector.

We may also be required to provide an audit opinion on a grant acquittal by an agency to the grant funding body.

During the 2020–21 financial year we expect to issue the following:

Attest reports	2020–21
<b>Audit opinions</b>	
Opinions on the financial reports of agencies	580+
Opinions on the performance statements of agencies	110
Opinion on the Annual Financial Report of the State of Victoria	1
<b>Review opinions</b>	
Review of Estimated Financial Statements for the General Government Sector	2
<b>Grant acquittal certifications</b>	
Certifications of grant acquittals	80+

The number of audit opinions on the financial reports of agencies has grown since our 2019–20 Annual Plan.

Changes to the *Audit Act 1994*, effective 1 July 2019, mean that 29 registered community health centres and four registered aged-care providers that provide services under the *Health Services Act 1988* now fall within the Auditor-General's mandate. Given the timing of the legislation passing, the Auditor-General could not conduct these audits for the 2018–19 financial year. Under section 10(2) of the *Audit Act 1994*, he exercised the authority to dispense with these audits.

With the delay in the state budget as a result of the COVID-19 pandemic, we will review both the 2020–21 and 2021–22 estimated statements during 2020–21.





# Appendix A

## Delivering performance audits

We largely use our own professionally qualified and trained staff to deliver our performance audits. However, we periodically engage experts to advise our performance audit teams on complex and technical issues. We also use contractors to supplement our staff resources where required.

To reach conclusions against our audit objectives, we determine the criteria to assess agency performance against at the beginning of the audit. We develop our audit criteria in accordance with relevant standards issued by the Australian Auditing and Assurance Standards Board and in consultation with the audited agencies. The figure below illustrates the types of criteria commonly included in performance audits.

Effectiveness	Economy	Efficiency	Compliance
<b>Definition:</b> Achievement of the objectives or other intended effects of activities at a program or entity level.	<b>Definition:</b> Acquisition of the appropriate quality and quantity of resources at the appropriate times and at the best cost.	<b>Definition:</b> Use of resources in a way that optimises output for any given set of resource inputs, or input is minimised for any given quantity and quality of output.	<b>Definition:</b> Compliance of an agency/program with all relevant Acts.
<b>Examples:</b> <ul style="list-style-type: none"> <li>The agency has achieved its objective.</li> <li>Program recipients have responded in line with objectives.</li> <li>The project has delivered the solution in accordance with requisite standards.</li> </ul>	<b>Examples:</b> <ul style="list-style-type: none"> <li>Services, projects and goods are procured for the best possible price.</li> <li>The agency has prevented or minimised wastage of resources.</li> <li>Desired quality standards have been achieved within time and budget parameters.</li> </ul>	<b>Examples:</b> <ul style="list-style-type: none"> <li>Resources are used to maximise output or activity levels.</li> <li>Data is actively used to minimise inefficiency.</li> <li>Controls and monitoring are applied to track and manage resource use and improve efficiency.</li> </ul>	<b>Examples:</b> <ul style="list-style-type: none"> <li>Agencies can demonstrate compliance with objectives, functions and requirements of relevant legislation.</li> <li>Agencies have systems and processes to monitor compliance and address instances of noncompliance.</li> </ul>



## Appendix B

# Delivering financial audits

The Auditor-General undertakes financial audits for over 580 public sector entities each year. The Auditor-General uses VAGO staff to undertake around a third of these financial report audits. For the remaining financial report audits, the Auditor-General contracts private sector firms (audit service providers) to assist with these. VAGO reviews this work and all audit opinions are issued on behalf of the Auditor-General.

In addition, some entities are also required to produce audited performance statements, which detail performance indicator targets and outcomes with supporting commentary. We audit these alongside our financial report audits.

Financial report audits are conducted in accordance with the Australian Auditing Standards using a risk-based approach. We plan our audits based on our understanding of the entity, which involves assessing any risks that may significantly affect the entity's financial report. This includes assessing the effectiveness of any internal controls the entity has in place that could prevent or detect and correct such risks.

We design and perform our audits to obtain sufficient and appropriate audit evidence that the assessed risks have been appropriately addressed and the prepared financial reports present fairly in accordance with the entity's financial reporting requirements. At the end of our audit, we issue an independent auditor's report containing our opinion on whether or not the financial report fairly presents the financial performance and position of the entity, and if it has been prepared in accordance with the entity's financial reporting requirements. The entity includes our opinion in its annual report.

In addition to the financial report audits, the Auditor-General conducts a review of the State of Victoria's Estimated Financial Statements for the General Government Sector included in the state budget.



## Appendix C

# Adjustments to our performance audit work program in response to COVID-19

The table on the next page lists the adjustments we have made to our performance audit work program in response to the impact of COVID-19.

Audit topic and year	Details
<b>New audits introduced</b>	
Business continuity during COVID-19 <b>2020–21</b>	<ul style="list-style-type: none"> <li>• New topic scheduled for 2020–21 (one of two audits relating to COVID-19).</li> <li>• Reason: it is timely to review the impact of the significant disruption to service provision by agencies and whether their plans were effective.</li> </ul>
Management of spending measures in response to the COVID-19 emergency <b>2020–21</b>	<ul style="list-style-type: none"> <li>• New topic scheduled for 2020–21 (one of two audits relating to COVID-19).</li> <li>• Reason: emergency measures may not be subject to the same level of oversight and control afforded to routine spending. This increases the risk of irregularities and waste.</li> </ul>
<b>Audits delayed</b>	
Clinical governance <b>2020–21</b>	<ul style="list-style-type: none"> <li>• Carried over from 2019–20 and now scheduled for 2020–21.</li> <li>• Reason: audited entities have had to re-prioritise their resources to respond to COVID-19.</li> </ul>
<b>Audits deferred</b>	
Cyber resilience <b>2021–22</b>	<ul style="list-style-type: none"> <li>• Initially scheduled for 2020–21 but now deferred to 2021–22.</li> <li>• Reason: audited agencies have had to re-prioritise their resources to respond to COVID-19.</li> </ul>
Effectiveness of the Navigator program <b>2021–22</b>	<ul style="list-style-type: none"> <li>• Initially scheduled for 2020–21 but now deferred to 2021–22.</li> <li>• Reasons: schooling disruption due to COVID-19 response. In addition, the statewide rollout of the Navigator program is now not expected to be completed until January 2020–21.</li> </ul>
Health and wellbeing of the medical workforce <b>2021–22</b>	<ul style="list-style-type: none"> <li>• Initially scheduled for 2020–21 but now deferred to 2021–22.</li> <li>• Reason: the impact of COVID-19 on the medical workforce would have shifted the audit focus from its intent.</li> </ul>
Correctional services for people with a cognitive disability <b>2022–23</b>	<ul style="list-style-type: none"> <li>• Initially scheduled for 2020–21 but now deferred to 2022–23.</li> <li>• Reason: to accommodate the impact of COVID-19 on the corrections system.</li> </ul>
Management of non-clinical services in Victorian hospitals <b>2022–23</b>	<ul style="list-style-type: none"> <li>• Initially scheduled for 2021–22 but now deferred to 2022–23.</li> <li>• Reasons: to accommodate the delay of other audits in the health and human services sector. In addition, DHHS's planned reforms to non-clinical services have been delayed due to COVID-19.</li> </ul>