

APPENDIX C

Scope of this audit

Objective

We assessed if DTF and SRO are optimising how they collect state-based tax revenue.

Who we examined	Their key responsibilities
DTF	<ul style="list-style-type: none">Helps the Treasurer manage Victoria's Budget, finances and economic policies and strategiesForecasts how much tax revenue Victoria will collect each year in the state Budget
SRO	<ul style="list-style-type: none">Administering Victoria's tax legislationCollects state taxes, duties and levies on behalf of the Victorian Government

Our audit focused on information and data from 2016–17 to 2020–21. We have included 2021–22 information where possible.

How we assessed performance

To form our conclusion against our objective we used the used the following lines of inquiry and associated evaluation criteria:

Line of inquiry	Criteria
Are DTF and SRO effectively optimising the way they collect tax revenue due to the state?	<ol style="list-style-type: none">Are DTF's and SRO's roles clearly established and understood by the parties involved? (see Chapter 2)Are DTF's revenue collection forecasts accurate? (see Chapter 2)Is SRO collecting the tax revenue it is set up to collect on time? (no specific findings noted in the report)Is SRO detecting and acting on noncompliance? (see chapters 2 and 3)
Is SRO minimising the costs of tax collection?	<ol style="list-style-type: none">Are SRO's processes to collect revenue optimised in a way that revenue collection costs are minimised? (see Chapter 3)Are SRO's costs of collecting revenue decreasing over time? (see Chapter 3)Are SRO's processes to collect revenue contemporary and facilitate customers' needs? (see Chapter 3)

Our methods

As part of the audit we:

- reviewed DTF's and SRO's policies, procedures and other documentation about collecting tax
- analysed SRO's data
- assessed DTF's and SRO's compliance against relevant legislation, including the Standing Directions, and internal policies and procedures
- assessed DTF's and SRO's compliance against relevant external benchmarks, including Victorian Government policies and best-practice guidelines
- referred to our financial audit work that has analysed DTF and SRO
- interviewed key DTF and SRO staff.

We conducted our audit in accordance with the *Audit Act 1994* and ASAE 3500 *Performance Engagements* to obtain reasonable assurance to provide a basis for our conclusion.

We complied with the independence and other relevant ethical requirements related to assurance engagements.

Cost and time

The full cost of the audit and preparation of this report was \$765,000. The duration of the audit was 14 months from initiation to tabling.