

APPENDIX C

Our audit approach

Our method

We conduct our financial audits of the university sector in accordance with the *Audit Act 1994* and the Australian Auditing Standards. As part of an audit, we:

- identify and assess the financial report's risks of material misstatement (whether due to error or fraud)
- design and perform audit procedures to respond to those risks
- obtain sufficient and appropriate audit evidence to provide a basis for an opinion.

We also:

- investigate internal controls relevant to the audit so we can design appropriate audit procedures for the circumstances
- evaluate whether the entity's accounting policies are appropriate
- evaluate whether the accounting estimates and related disclosures in the entity's financial report are reasonable
- decide if it is appropriate to use the **going concern** basis of accounting
- evaluate the overall presentation, structure and content of the financial report, including its disclosures
- assess whether the financial report represents the underlying transactions and events in a way that achieves fair presentation.

Going concern means that an entity is expected to be able to pay its debts when they fall due and continue to operate without any intention or need to liquidate or otherwise wind up its operations.

Our independence

The Auditor-General is:

- an independent officer of the Parliament of Victoria
 - appointed under legislation to examine, on behalf of Parliament and taxpayers, how the public sector manages resources
 - not subject to control or direction of either Parliament or the government.
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Our ethical obligations

The Auditor-General and staff of VAGO must meet the ethical requirements of:

- the Australian Auditing Standards
 - the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants*
 - the Code of Conduct for Victorian Public Sector Employees of Special Bodies
 - the *Public Administration Act 2004*.
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Our costs

This report and its supporting dashboard cost \$130,000 and were funded by parliamentary appropriation.
