

## 6. Our financial management

Our primary financial objective is to provide cost-effective and value-adding audit and assurance services to Parliament and our public sector fee-paying clients.

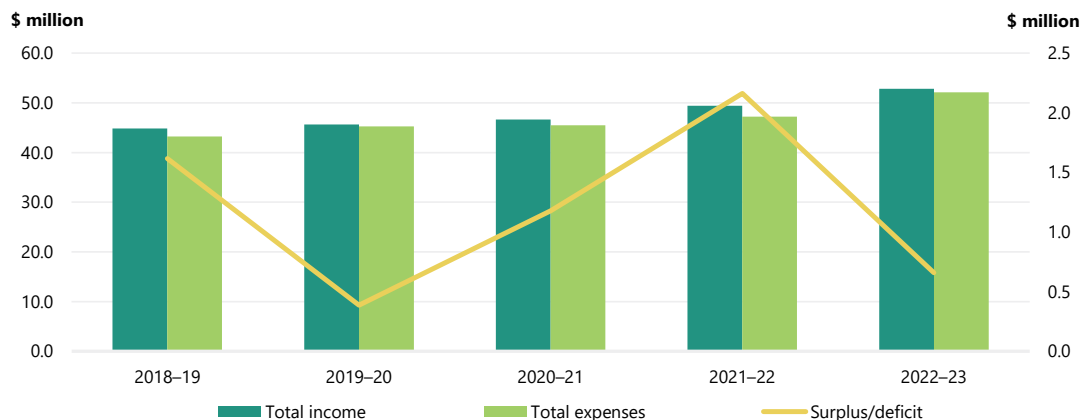
The nature and scope of our business does not change substantially outside legislative reform. As such, our financial performance and position are historically stable.

This year's financial results reflect our continued focus on organisational transformation and improvement activities.

## 6.1 Financial year in review

Our net financial result for the year was a surplus of \$0.7 million (2021–22: \$2.2 million).

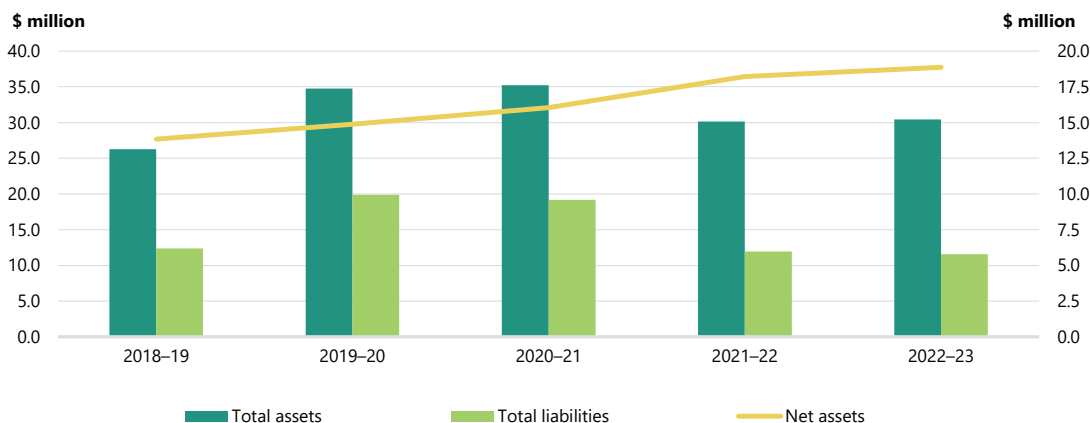
### Five-year financial performance to 30 June 2023



Source: VAGO.

Our financial position at 30 June 2023 consisted of total assets of \$30.4 million and total liabilities of \$11.6 million, resulting in net assets of \$18.9 million (30 June 2022: \$18.2 million).

### Five-year financial position to 30 June 2023



Source: VAGO.

## Surplus/deficit

Consistent with our 5-year average result, we continue to operate sustainably and make an operating surplus.

We attribute this year's surplus mostly to cost savings as a result of ongoing staff vacancies in our Performance Audit business unit. We anticipate these positions will be filled in 2023–24 as part of the new business unit structure. We also significantly reduced our use of subject matter experts for our performance audits compared to the prior year.

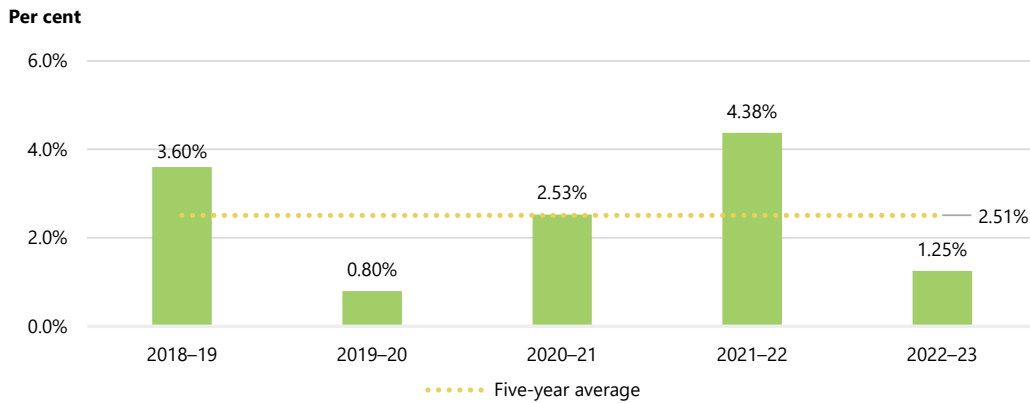
We also realised cost savings from exiting our lease agreement for level 32, 35 Collins Street on 1 December 2021. This resulted in a reduced tenancy footprint and office operating costs. We estimate this saving to be around \$1.0 million.

Our medium-term financial aim is to **break even**, noting deficits may arise due to the timing of our organisational transformation activities.

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## Surplus as percentage of total income



Source: VAGO.

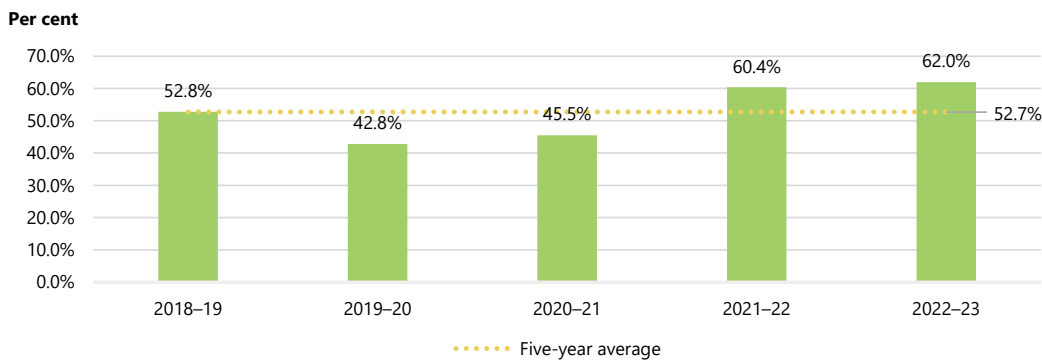
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## Net assets

Our stable financial position is driven by our historical surpluses and sound fiscal management. We anticipate sufficient working capital to fund our operations over the forward estimates period.

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## Net assets as a percentage of total assets



Source: VAGO.

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## 6.2 Financial performance

### Income

Our total income has steadily increased over the past five years to \$52.8 million in 2022-23 (2021-22: \$49.4 million), reflecting indexation of our general appropriation and revisions to our section 29 income from financial audit engagement fees.

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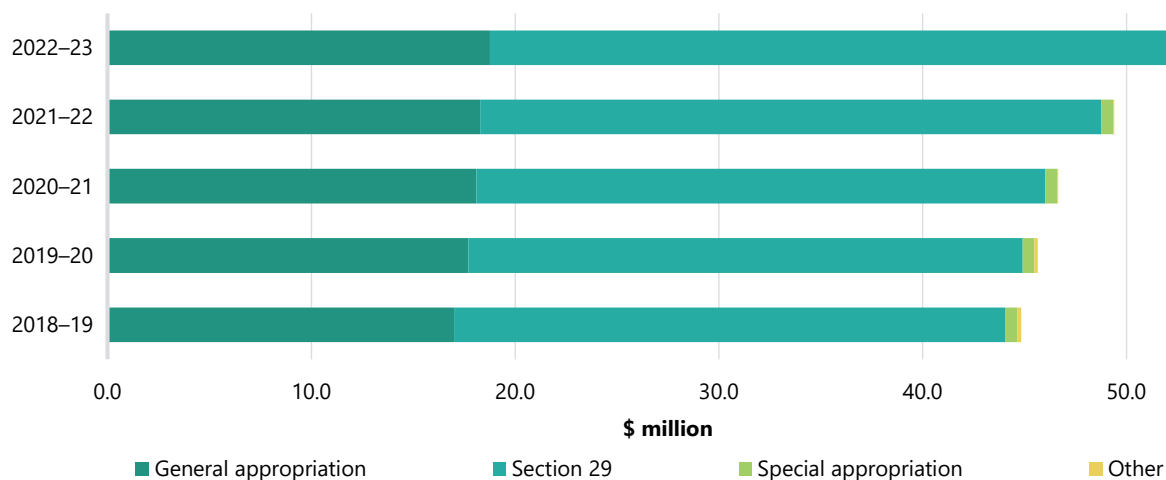
VAGO is funded through parliamentary appropriations and *Financial Management Act 1994* section 29 income.

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## Income from transactions



Source: VAGO.

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## Expenses

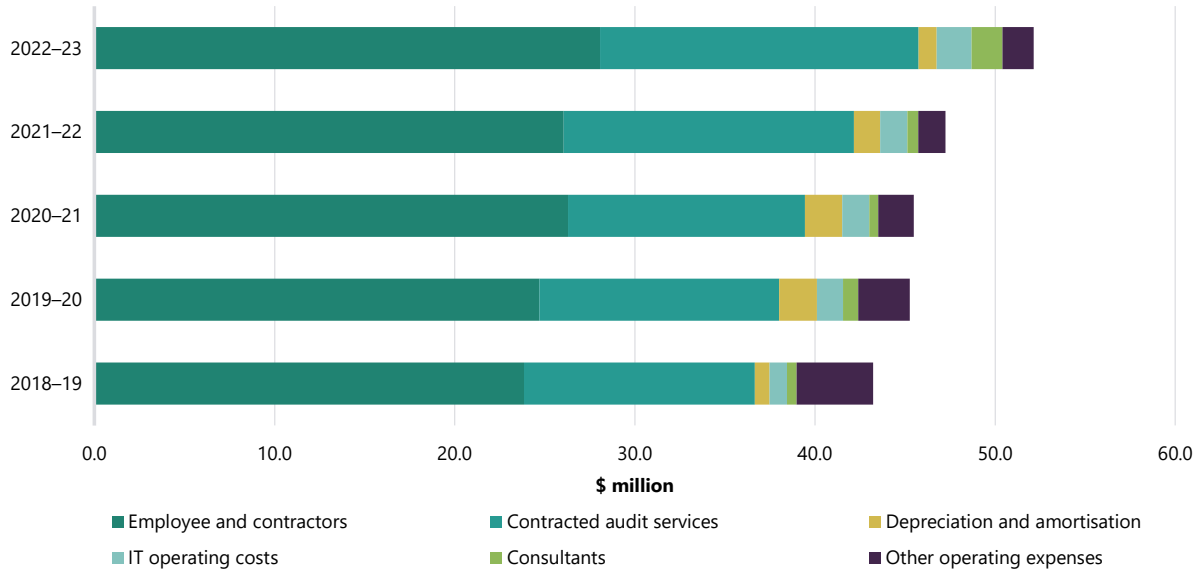
Most of our expenses consist of employees and contractors, and contracted audit service providers whom we engage to assist in completing our annual financial and performance statement audits and other assurance engagements.

Our employee and contractor cost of \$28.1 million (2021-22: \$26.0 million) increased due to additional employees and contractors required to complete our annual financial and performance statement audits in 2022-23, and to minimise the residual disruptions from COVID on our forward 2023 financial audit program. In addition, there was an increase to entitlements per the *Victorian Public Service Enterprise Agreement 2020*.

We are currently in the second year of our new audit service provider panel arrangement. Our expenditure for contracted audit services of \$17.7 million (2021-22: \$16.1 million) has been impacted by:

- increasing costs charged by our audit service providers (ASP) across the entire industry due to increased auditing standard and quality requirements
- rebasing historically low ASP costs as part of the new panel arrangement
- strategic changes to the composition of our outsourced and in-house audit engagements
- the timing of completion of work carried out up to 30 June 2023.

### Expenses from transactions

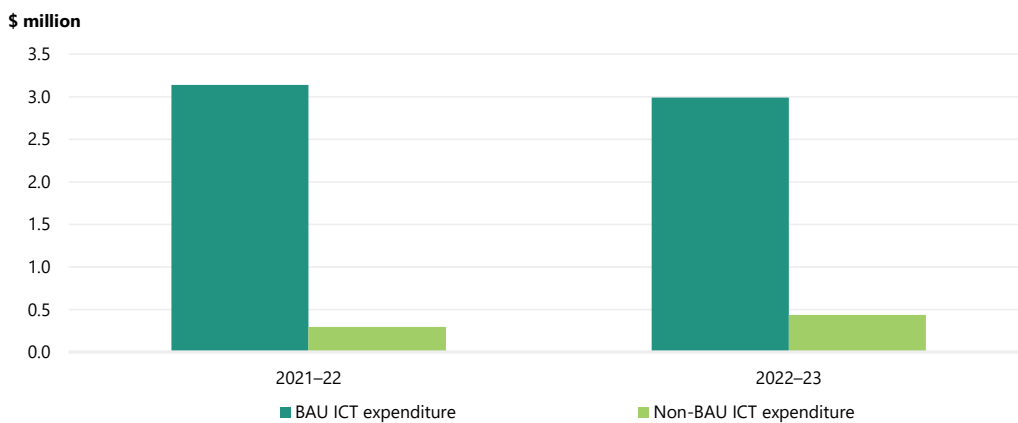


Source: VAGO.

### Information and communications technology (ICT) expenditure

This year we incurred ICT expenditure (including employee and contractor costs, and depreciation) of \$3.1 million (2021-22: \$3.1 million). These costs reflect our ongoing investment in IT solutions to support the operational needs of the office and our staff.

#### ICT expenditure



**Business as usual (BAU) ICT expenditure** relates to ongoing activities to operate and maintain existing ICT.

**Non-BAU ICT expenditure** relates to extending or enhancing our current ICT capabilities.

Source: VAGO.

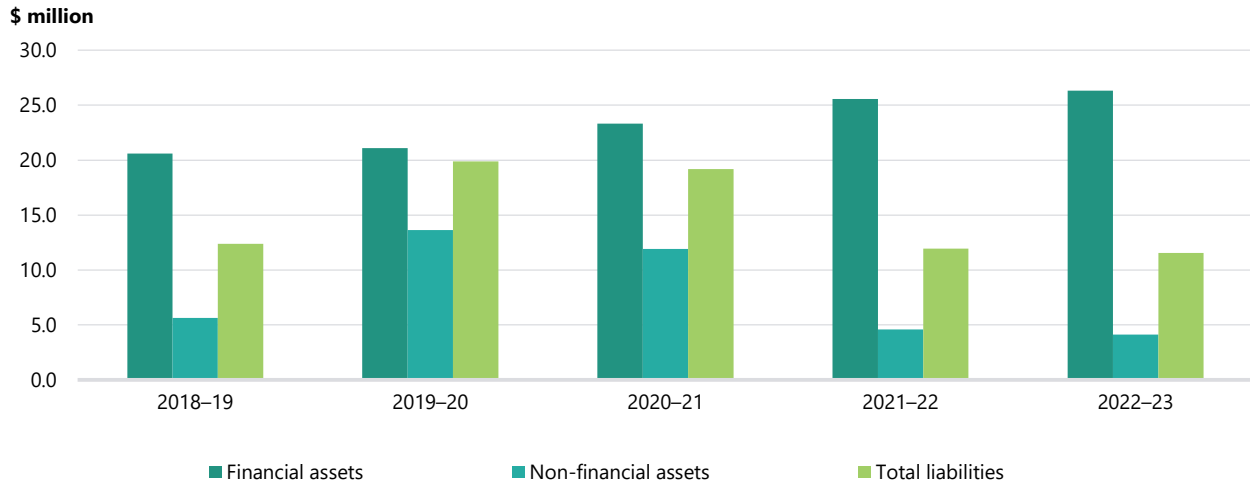
## 6.3 Financial position

### Balance sheet

Our total financial assets balance of \$26.3 million (2021-22: \$25.6 million) increased due to the increase in the State Administration Unit receivable balance – that is, our accumulated surpluses, payables, movements in provisions and accumulated depreciation and amortisation net of asset acquisition.

The total liabilities balance of \$11.6 million (2021-22: \$11.9 million) was also impacted by the payables balance at 30 June 2023, which is dependent on the timing of audit service providers completing their audit deliverables.

### Assets and liabilities movement



Source: VAGO.

## 6.4 Cash flows

### Cash flow statement

As part of our government banking arrangement, receipts and payments transacted in our bank accounts are transferred to and from the State government.

#### Cash Flow Statement

	2022-23 (\$ thousand)	2021-22 (\$ thousand)	Movement from 2021-22 to 2022-23 (\$ thousand)	Percentage change from 2021-22 to 2022-23
Net cash flows from/(used in) operating activities	1 002	1 460	(458)	(31.4)
Net cash flows from/(used in) investing activities	(526)	(778)	252	(32.4)
Net cash flows from/(used in) financing activities	(476)	(682)	206	(30.2)
Net increase/(decrease) in cash held	-	-	-	-
Cash at the beginning of the financial year	-	-	-	-
<b>Cash at the end of the financial year</b>	-	-	-	-

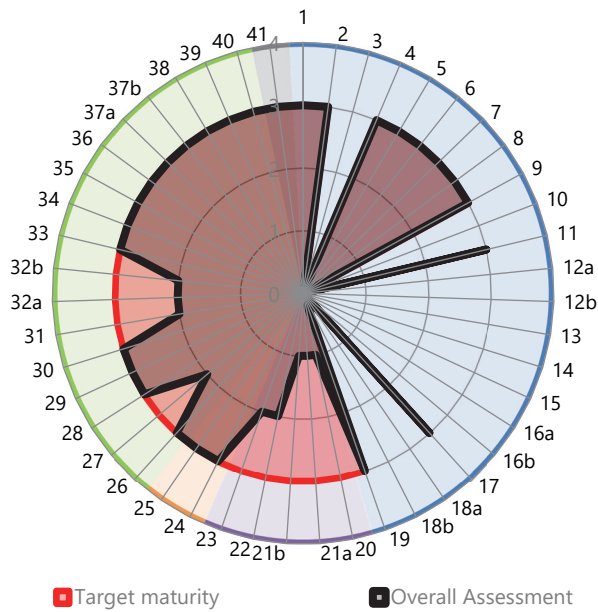
## 6.5 Other financial matters

### Asset Management Accountability Framework (AMAF) maturity assessment

We have assessed our target maturity rating against the AMAF as 'competence', meaning systems and processes are fully in place, consistently applied and systematically meeting the AMAF requirements, including a continuous improvement process to expand system performance above AMAF minimum requirements.

The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements, published at [www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework](http://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework).

#### AMAF maturity assessment



#### Legend

Not applicable.....	N/A
Innocence.....	0
Awareness.....	1
Developing.....	2
Competence.....	3
Optimising.....	4
Unassessed.....	U/A

Source: VAGO.

### AMAF maturity outcome

#### AMAF mandatory requirements

#### Outcome assessment

Leadership and Accountability (requirements 1–19)	We have met our target maturity level under the requirements within this category, where applicable.
Planning (requirements 20–23)	There is no material non-compliance reported in this category. We did not comply with the requirement for developing an asset management strategy as we did not assess any of our assets as critical (i.e. any failures would not result in the incapability to deliver important services).
Acquisition (requirements 24 and 25)	We have met our target maturity level under the requirements within this category.
Operation (requirements 26–40)	There is no material non-compliance reported in this category. Given we have not assessed any of our assets as critical, we have not established a process to identify potential asset performance failures, or a formal asset maintenance program.
Disposal (requirement 41)	We have met our target maturity level under the requirements within this category.

## Local Jobs First

Under section 3 of the *Financial Management Act 1994*, we must apply the Local Jobs First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria, and for strategic projects with a budget of \$50 million or more.

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All projects valued at \$50 million or above are automatically classified as **Strategic Projects**, or as declared by the Minister for Industry Support and Recovery.

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## Local Jobs First Strategic

We currently have one Local Jobs First Strategic Project in progress, which commenced in 2020-21, valued in excess of the \$50 million threshold, to refresh our Financial Audit Services Panel. The project is based in metropolitan Melbourne representing 97 per cent of estimated local content, as advised by the Minister for Industry Support and Recovery.

In 2022-23, the outcomes reported from the implementation of the policy where information was provided were as follows:

- an average of at least 97 per cent of local content outcome was recorded.
- eight audit service providers have prepared a Local Industry Development Plan (LIDP) for contracts and successfully appointed as a principal contractor.

## Performance audit consultants

In 2022-23, we paid \$171,600 to 5 consultants for performance audit related services (2021-22: \$639,000 to 9 consultants).

### Payments to performance audit consultants

Performance audit consultants	2022-23 (\$ thousand)	2021-22 (\$ thousand)
4 Consulting Pty Ltd	-	38
Aspex Consulting	-	83
Cube Group	-	29
Frontier Economics Pty Ltd	79	170
Jeneva Pty Ltd	59	-
Risk Insights Pty Ltd	-	188
Riskwest Pty Ltd	-	79
Synergies Economic Consulting Pty Ltd	-	15
Tundra Interactive Pty Ltd	23	-
Victorian Government Solicitor	-	33
Other—2 (2021-22: 1)	11	4
<b>Total</b>	<b>172</b>	<b>639</b>



## Financial audit contracted audit services

In 2022-23, we paid \$16.9 million to 18 audit firms and consultants for financial and performance statement audit services (2021-22: \$15.1 million to 32 audit firms and consultants).

### Payments to financial audit contracted audit service providers

Audit service provider (ASP) and consultants	2022-23 (\$ thousand)	2021-22 (\$ thousand)
<b>ASP panel members</b>		
BDO Services Pty Ltd	410	178
Crowe Audit Australia	2 083	1 461
Ernst & Young	1 594	1 557
HLB Mann Judd (VIC Partnership)	2 818	2 811
Johnsons MME	344	526
KPMG	476	193
RSD Audit	3 277	1 863
RSM Australia Pty Ltd	3 413	3 246
<b>Non-ASP panel members</b>		
Accounting and Auditing Solutions	-	72
AFS & Associates Pty Ltd	12	93
Count Pro Pty Ltd	-	22
Crowe Horwath Albury	796	621
Crowe Horwath Vic	819	713
Crowe Murray Darling	-	21
Cumpston Sarjeant Pty Ltd	20	-
Davidsons Assurance Services Pty Ltd	-	30
DFK Kidsons	-	234
DMG Audit and Advisory	-	271
Frontier Economics Pty Ltd	95	77
LD Assurance	-	80
McLaren Hunt	-	339
McLean Delmo Bentleys Pty Ltd	-	372
Pitcher Partners	-	22
Pitcher Partners Corporate Pty Ltd	45	25
Protiviti Pty Ltd	678	196

Audit service provider (ASP) and consultants	2022-23 (\$ thousand)	2021-22 (\$ thousand)
Shine Wing Australia	-	14
The Heron Partnership Pty Ltd	24	15
William Buck Audit (Vic) Pty Ltd	-	27
Other—2 (2021-22: 4)	2	19
<b>Total</b>	<b>16 906</b>	<b>15 098</b>

## Other consultancies

In 2022-23, we engaged 19 consultants with a total fee payable greater than \$10,000 (excluding GST) (2021-22: 11 consultants).

We also engaged 4 consultants where the total fee payable was less than \$10,000, totalling \$20,400 (excluding GST) (2021-22: 9 consultants totalling \$45,600).

### Consultancies—payments in excess of \$10,000 (excluding GST)

Consultant	Purpose of consultancy	Start date	End date	Approved project fee (\$ thousand)	2022-23 expenditure (\$ thousand)	Future expenditure (\$ thousand)
<b>Office of the Auditor-General</b>						
Audit Assist Pty Ltd	Quality assurance review	3-Feb-23	31-May-23	40	9	31
BizData Pty Ltd	Data analytics program	27-Sep-21	30-Jun-23	106	39	67
Audit Assist Pty Ltd	Quality assurance review	1-Jul-22	30-Jun-23	248	248	-
ContentSmith Group Pty Ltd	Digital marketing services	1-Feb-23	31-May-23	40	32	8
Denis J Thorn	Quality assurance review	19-Sep-22	05-Dec-22	48	48	-
Ernst & Young	Quality assurance review	7-Feb-22	31-Mar-22	18	12	6
Gordon M Robertson	Independence paper	1-Feb-23	31-May-23	39	39	-
McGlenn Consulting Group	Quality assurance review	20-Feb-22	31-May-22	26	15	-
McGlenn Consulting Group	Quality assurance review	21-Sep-22	10-Feb-23	46	46	-
O'Connor Marsden & Associates Pty Ltd	Quality assurance review	19-Sep-22	30-Sep-23	116	92	24
Orima Research Pty Ltd	Client survey program	20-May-22	20-Jul-22	14	4	4
Peter Wilkins	Independence paper	30-Jan-23	30-Jun-23	226	214	12
Servian Pty Ltd	Web application development	3-Oct-22	30-Apr-23	58	55	3
Studio Bravo Pty Ltd	Web application design	7-Oct-29	31-Oct-24	1 090	103	413
SW Accountants & Advisors	Internal audit	3-Feb-23	31-May-23	40	9	31

Consultant	Purpose of consultancy	Start date	End date	Approved project fee (\$ thousand)	2022-23 expenditure (\$ thousand)	Future expenditure (\$ thousand)
<b>Financial Audit</b>						
Pricewaterhouse Coopers Consulting (Australia) Pty Ltd	Enhancing FA Capability	14-Nov-22	31-May-23	724	699	25
Shane Garner Consulting	Executive consulting	02-Mar-23	15-May-23	23	23	-
<b>Corporate Services</b>						
Deloitte Consulting Pty Limited	STP phase 2 implementation	15-Nov-22	30-Jun-23	71	61	11
Indigenous Cultural Connections	Reconciliation Action Plan	01-Nov-22	31-Oct-24	41	8	32

## Whole-of-government financial statements

We prepare a comprehensive operating statement for the Parliament portfolio that compares our actual financial statements and the budgeted financial information published in the *Statement of Finances 2022-23: Budget Paper No.5*. We prepared the financial data on a consolidated basis and included all general government sector entities within the portfolio. Financial transactions and balances are classified into either controlled or administered categories, in the context of the published statements in Budget Paper No.5.

Our comprehensive operating statement is not subject to audit and is prepared on the same basis as *Budget Paper No.5*. Budget figures align with *Budget Paper No.5* (shown in \$ millions).

Comprehensive operating statement for Parliament (including VAGO) for the financial year ended 30 June 2023

	Budget		Parliament (including VAGO) (\$ thousand)	Actual VAGO (\$ thousand)	Variance VAGO (\$ thousand)
	Parliament (excluding VAGO) (\$ thousand)	VAGO (\$ thousand)			
<b>Income from transactions</b>					
Output appropriations	244 568	49 525	294 093	52 125	2 600
Special appropriations	49 459	631	50 090	616	(15)
Sale of goods and services (including other income)	-	-	-	4	4
Fair value of services received free of charge or for nominal consideration	-	41	41	43	2
<b>Total income from transactions</b>	<b>294 027</b>	<b>50 197</b>	<b>344 244</b>	<b>52 788</b>	<b>2 591</b>
<b>Expenses from transactions</b>					
Employee benefits	190 604	27 959	218 563	28 067	(108)
Depreciation	36 457	991	37 448	1 010	(19)
Interest expense	1 650	68	1 718	58	10
Other operating expenses	67 193	21 179	88 372	22 966	(1 787)

	<i>Budget</i>		<i>Actual</i>		<i>Variance</i>
	Parliament (excluding VAGO) (\$ thousand)	VAGO (\$ thousand)	Parliament (including VAGO) (\$ thousand)	VAGO (\$ thousand)	VAGO (\$ thousand)
<b>Total expenses from transactions</b>	<b>295 904</b>	<b>50 197</b>	<b>346 101</b>	<b>52 101</b>	<b>(1 904)</b>
<b>Net result from transactions (net operating balance)</b>	<b>(1 877)</b>	<b>-</b>	<b>(1 877)</b>	<b>687</b>	<b>687</b>
<b>Other economic flows – other comprehensive income</b>					
Other	-	-	-	(27)	27
<b>Total other economic flows – other comprehensive income</b>	<b>(1 877)</b>	<b>-</b>	<b>(1 877)</b>	<b>660</b>	<b>714</b>
<b>Comprehensive result</b>	<b>(1 877)</b>	<b>-</b>	<b>(1 877)</b>	<b>660</b>	<b>714</b>

## 6.6 Financial statements

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Cash flow statement	6-19
Statement of changes in equity	6-20

### 6.6.1 Notes to the financial statements

1. About this report	2. Funding delivery of our services	3. The cost of delivering our services	4. Key assets to support our output delivery
1.1 Basis of preparation and compliance	2.1 Summary of compliance with annual parliamentary and special appropriations	3.1 Employees and contractors	4.1 Property plant and equipment
	2.2. Disaggregated financial information	3.2 Contracted audit services	4.2 Depreciation and amortisation
		3.3 Other operating expenses	4.3 Fair value determination
			4.4 Right-of-use assets and lease liabilities
5. Other assets and liabilities	6. How we financed our operations	7. Risks and valuation judgements	8. Other disclosures
5.1 Receivables	6.1 Cash flow information	7.1 Financial instruments	8.1 Responsible persons
5.2 Other non-financial assets	6.2 Commitments for expenditure		8.2 Remuneration of executives
5.3 Payables	6.3 Contingent assets and contingent liabilities		8.3 Related parties
			8.4 Remuneration of auditors
			8.5 Subsequent events
			8.6 Australian Accounting Standards issued but not yet effective
			8.7 Glossary of technical terms
			8.8 Style conventions

## Declaration in the financial statements

We prepared the attached financial statements for the Victorian Auditor-General's Office in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2023 and financial position of the Victorian Auditor-General's Office at 30 June 2023.

At the time of signing, we are not aware of any circumstance that would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 15 August 2023.



**Andrew Greaves**

Auditor-General

Victorian Auditor-General's Office

Melbourne

15 August 2023



**Anh Ha**

Chief Financial Officer

Victorian Auditor-General's Office

Melbourne

15 August 2023



PKF Melbourne Audit & Assurance Pty Lt  
ABN 75 600 749 184  
Level 12, 440 Collins Street  
Melbourne, Victoria 3000

T: +61 3 9679 2222  
F: +61 3 9679 2288  
info@pkf.com.au  
pkf.com.au

## Independent Auditor's Report to the Victorian Auditor-General's Office

### Opinion

We have audited the accompanying financial statements of the Victorian Auditor-General's Office (the Entity), which comprise the Balance Sheet as at 30 June 2023, the Comprehensive Operating Statement, Cash Flow Statement, and Statement of Changes in Equity for the year then ended, notes to the financial statements, including material accounting policy information, and the declaration in the financial statements.

In our opinion the financial statements present fairly, in all material respects, the financial position of the Victorian Auditor-General's Office as at 30 June 2023 and of its financial performance for the year then ended in accordance with Australian Accounting Standards including Interpretations and other mandatory professional reporting requirements, and the financial reporting requirements of the *Financial Management Act 1994*.

### Basis for opinion

We conducted our audit in compliance with the *Audit Act 1994*, and accordingly in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Other information

The Auditor-General is responsible for the other information. The other information comprises the information included in the Victorian Auditor-General's Office's annual report for the year ended 30 June 2023 but does not include the financial statements and our auditor's report thereon, nor the performance statement and our review report thereon.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### The Auditor-General's Responsibility for the Financial Statements

The Auditor-General is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards including Interpretations and other mandatory professional reporting requirements, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Auditor-General determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Auditor-General is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate the Entity or to cease operations, or there is no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the *Audit Act 1994* and Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Auditor-General.
- Conclude on the appropriateness of the Auditor-General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Auditor-General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Auditor-General with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



**PKF**  
Melbourne, 15 August 2023



**Steven Bradby**  
Director



## Comprehensive operating statement for the financial year ended 30 June 2023<sup>(i)</sup>

	Note	2022-23 (\$ thousand)	2021-22 (\$ thousand)
<b>Income from transactions</b>			
Output appropriations	2.1	52 125	48 746
Special appropriations	2.1	616	600
Sale of services and other income		47	49
<b>Total income from transactions</b>		<b>52 788</b>	<b>49 395</b>
<b>Expenses from transactions</b>			
Employees and contractors	3.1.1	28 067	26 050
Contracted audit services	3.2	17 675	16 114
Depreciation and amortisation	4.2	1 010	1 453
IT operating costs		1 924	1 509
Consultants		1 716	599
Other operating expenses	3.3	1 709	2 079
<b>Total expenses from transactions</b>		<b>52 101</b>	<b>47 804</b>
<b>Net result from transactions (net operating balance)</b>		<b>687</b>	<b>1 591</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets <sup>(ii)</sup>	6.1.1	(15)	436
Other gains/(losses) from other economic flows	3.1.2	(12)	135
<b>Total other economic flows included in net result</b>		<b>(27)</b>	<b>571</b>
<b>Net result</b>		<b>660</b>	<b>2 162</b>
<b>Comprehensive result</b>		<b>660</b>	<b>2 162</b>

The accompanying notes form part of these financial statements.

Notes:

(i) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

(ii) 'Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from disposals of all non-financial assets.

## Balance sheet as at 30 June 2023<sup>(i)</sup>

	Note	2022-23 (\$ thousand)	2021-22 (\$ thousand)
<b>Assets</b>			
<b>Financial assets</b>			
Cash	6.1	-	-
Receivables	5.1	26 301	25 566
<b>Total financial assets</b>		<b>26 301</b>	<b>25 566</b>
<b>Non-financial assets</b>			
Property, plant and equipment	4.1	3 234	3 990
Intangible assets		488	231
Other non-financial assets	5.2	414	365
<b>Total non-financial assets</b>		<b>4 136</b>	<b>4 586</b>
<b>Total assets</b>		<b>30 437</b>	<b>30 152</b>
<b>Liabilities</b>			
Payables	5.3	3 700	3 602
Lease liabilities	4.4.1	2 442	2 918
Employee related provisions	3.1.2	5 427	5 424
<b>Total liabilities</b>		<b>11 569</b>	<b>11 944</b>
<b>Net assets</b>		<b>18 868</b>	<b>18 208</b>
<b>Equity</b>			
Accumulated surplus		13 938	13 278
Contributed capital		4 930	4 930
<b>Net worth</b>		<b>18 868</b>	<b>18 208</b>

The accompanying notes form part of these financial statements.

Note:

(i) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

## Cash flow statement for the financial year ended 30 June 2023<sup>(i)</sup>

	Note	2022-23 (\$ thousand)	2021-22 (\$ thousand)
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Appropriation receipts from government		54 002	49 382
Receipts from other entities		616	600
<b>Total receipts</b>		<b>54 618</b>	<b>49 982</b>
<b>Payments</b>			
Payments to suppliers and employees		(52 985)	(47 158)
Goods and Services Tax paid to the ATO <sup>(ii)</sup>		(573)	(1 184)
Interest and other costs of finance paid		(58)	(180)
<b>Total payments</b>		<b>(53 616)</b>	<b>(48 522)</b>
<b>Net cash flows from/(used in) operating activities</b>	6.1.1	<b>1 002</b>	<b>1 460</b>
<b>Cash flows from investing activities</b>			
Purchases of non-financial assets		(526)	(778)
<b>Net cash flows from/(used in) investing activities</b>		<b>(526)</b>	<b>(778)</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(476)	(682)
<b>Net cash flows from/(used in) financing activities</b>		<b>(476)</b>	<b>(682)</b>
<b>Net increase/(decrease) in cash held</b>		-	-
Cash at the beginning of the financial year		-	-
<b>Cash at the end of the financial year</b>	6.1	-	-

The accompanying notes form part of these financial statements.

Note:

(i) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

(ii) Goods and Services Tax paid to the Australian Taxation Office (ATO) is presented on a net basis.

## Statement of changes in equity for the financial year ended 30 June 2023<sup>(i)</sup>

	Accumulated surplus (\$ thousand)	Contributed capital (\$ thousand)	Total
<b>Balance at 1 July 2021</b>	<b>11 116</b>	<b>4 930</b>	<b>16 046</b>
Net result for the year	2 162	-	2 162
<b>Balance at 30 June 2022</b>	<b>13 278</b>	<b>4 930</b>	<b>18 208</b>
Net result for the year	660	-	660
<b>Balance at 30 June 2023</b>	<b>13 938</b>	<b>4 930</b>	<b>18 868</b>

The accompanying notes form part of these financial statements.

Note:

(i) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*

## Notes to financial statements

### 1. About this report

The Victorian Auditor-General's Office (VAGO) and the Auditor-General's mandate is established pursuant to:

- the *Constitution Act 1975*, which establishes the role of the Auditor-General and authorises the Auditor-General's complete discretion in the performance and exercise of their functions and powers
- the *Audit Act 1994* (the Act), which establishes the Auditor-General's mandate, provides the legal basis for their powers, and identifies their responsibilities.

A description of VAGO's operations, principal activities and objectives is included in the Report of Operations, which does not form part of these financial statements.

#### 1.1 Basis of preparation and compliance

These general-purpose financial statements:

- are prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) including Interpretations issued by the Australian Accounting Standards Board (AASB). They are presented consistent with the requirements of *AASB 1049 Whole of Government and General Government Sector Financial Reporting*
- cover VAGO as an individual reporting entity and include its controlled activities
- are in Australian dollars and use the historical cost convention unless a different measurement basis is specifically disclosed in the associated notes
- apply an accrual basis of accounting whereby assets, liabilities, equity, income and expenses are recognised in the reporting period they relate to, regardless of when cash is received or paid
- have been rounded to the nearest \$1,000, unless otherwise stated.

Judgements, estimates and assumptions are made about financial information presented.

- Significant judgements applied are disclosed in Note 2 and Note 7.
- Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors believed reasonable under the circumstances. Actual results may differ from these estimates.

Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

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VAGO is an administrative agency acting on behalf of the Crown. Our address is: Level 31, 35 Collins Street, Melbourne, VIC, 3000.

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## 2. Funding delivery of our services

### 2.1 Summary of compliance with annual parliamentary and special appropriations

#### Output appropriations

Income from the outputs VAGO provides to Parliament is recognised when the outputs are delivered. The Assistant Treasurer and Treasurer certify delivery in accordance with specified performance criteria which are outlined in the Department of Treasury and Finance budget papers.

Provision for outputs is disclosed as 'controlled' activities of VAGO.

Annual parliamentary appropriations are controlled by VAGO when applied by the Treasurer and recognised as income for the purposes defined under the *Appropriation Act 2016*.

	<i>Appropriations Act</i>	<i>Financial Management Act</i>	Total Parliamentary authority (\$ thousand)	Appropriations applied (\$ thousand)	Variance <sup>(i)</sup>
	Annual appropriation (\$ thousand)	section 29 (\$ thousand)			
<b>2022–23 controlled</b>					
Provision for outputs	18 759	30 766	49 525	52 125	(2 600)
Recovery of cost of parliamentary reports	-	5	5	-	5
<b>Total 2022–23</b>	<b>18 759</b>	<b>30 771</b>	<b>49 530</b>	<b>52 125</b>	<b>(2 595)</b>
<b>2021–22 controlled</b>					
Provision for outputs	18 282	28 866	47 148	48 746	(1 598)
Recovery of cost of parliamentary reports	-	3	3	-	3
<b>Total 2021–22</b>	<b>18 282</b>	<b>28 869</b>	<b>47 191</b>	<b>48 746</b>	<b>(1 595)</b>

Note:

(i) The variance from estimate of 'Provision for outputs' in 2022-23 was due to the variability in financial audit fees charged and retained as per the section 29 agreement.

#### Special appropriations

Under section 94A(6) of the *Constitution Act 1975*, income related to remuneration and on-costs associated with the Auditor-General's position, are recognised when the amount appropriated for that purpose is due and payable to VAGO.

Authority	Purpose	<i>Appropriations applied</i>	
		2022-23 (\$ thousand)	2021-22 (\$ thousand)
The Constitution Act 1975, section 94A(6)	Costs associated with the Auditor-General	<b>616</b>	600

## Financial Management Act section 29 annotated income agreements

Administered transactions are those undertaken on behalf of the State of Victoria where VAGO has no control or discretion.

The income which forms part of a section 29 agreement is recognised by VAGO as an administered item and the receipts paid into the consolidated fund.

Financial audit fees are measured on the consideration and terms specified in the service agreement with the audit client. VAGO recognises income progressively over time as the performance obligations for the services to the audit client are satisfied.

FMA section 29 annotated income agreements are approved by the Treasurer.

	2022-23 (\$ thousand)	2021-22 (\$ thousand)
<b>Fee for services</b>		
Audit fees	<b>30 766</b>	28 866
Recovery of cost of parliamentary reports	<b>5</b>	3
<b>Total annotated income agreements</b>	<b>30 771</b>	<b>28 869</b>

## 2.2. Disaggregated financial information

We made the following judgements in allocating income and expenditure to specific outputs:

- Output appropriation income is allocated directly to the output funded by the appropriation.
- Other income is allocated on the basis of management estimates of the relative benefits accruing to each output.

We allocate expenses on the basis of management estimates of the direct hours worked by employees against each output. There were no amounts unallocated.

The distinction between controlled and administered items is based on VAGO's ability to deploy the resources for its own benefit (controlled items) or on behalf of the State (administered). VAGO remains accountable for transactions involving administered items but does not recognise them in its financial statements, except by way of note disclosure.

### 2.2.1 Departmental outputs

For a description of VAGO's outputs, refer to pages 5-2 to 5-8 in *the Report of Operations*.

Controlled income and expenses for the year ended 30 June 2023

	<i>Parliamentary reports and services</i> (\$ thousand)		<i>Audit opinions on financial and performance statements</i> (\$ thousand)		<i>Total</i> (\$ thousand)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Income from transactions</b>						
Output appropriations	<b>18 759</b>	18 282	<b>33 366</b>	30 464	<b>52 125</b>	48 746
Special appropriations	<b>328</b>	316	<b>288</b>	284	<b>616</b>	600
Sale of services and other income	<b>25</b>	26	<b>22</b>	23	<b>47</b>	49
<b>Total income from transactions</b>	<b>19 112</b>	<b>18 624</b>	<b>33 676</b>	<b>30 771</b>	<b>52 788</b>	<b>49 395</b>

	<i>Parliamentary reports and services (\$ thousand)</i>		<i>Audit opinions on financial and performance statements (\$ thousand)</i>		<i>Total (\$ thousand)</i>	
	2022–23	2021–22	2022–23	2021–22	2022–23	2021–22
<b>Expenses from transactions</b>						
Employee expenses	12 922	12 375	15 145	13 675	28 067	26 050
Contracted audit services	154	969	17 521	15 145	17 675	16 114
Depreciation	538	765	472	688	1 010	1 453
IT operating costs	1 025	795	899	714	1 924	1 509
Consultants	914	466	802	133	1 716	599
Other operating expenses	910	1 095	799	984	1 709	2 079
<b>Total expenses from transactions</b>	<b>16 463</b>	<b>16 465</b>	<b>35 638</b>	<b>31 339</b>	<b>52 101</b>	<b>47 804</b>
<b>Net result from transactions (net operating balance)</b>	<b>2 649</b>	<b>2 159</b>	<b>(1 962)</b>	<b>(568)</b>	<b>687</b>	<b>1 591</b>
<b>Other economic flows included in net result</b>						
Net gain/(loss) on non-financial assets	(8)	230	(7)	206	(15)	436
Other gains/(losses) from other economic flows	(6)	71	(6)	64	(12)	135
<b>Total other economic flows included in net result</b>	<b>(14)</b>	<b>301</b>	<b>(13)</b>	<b>270</b>	<b>(27)</b>	<b>571</b>
<b>Net result</b>	<b>2 635</b>	<b>2 460</b>	<b>(1 975)</b>	<b>(298)</b>	<b>660</b>	<b>2 162</b>
<b>Comprehensive result</b>	<b>2 635</b>	<b>2 460</b>	<b>(1 975)</b>	<b>(298)</b>	<b>660</b>	<b>2 162</b>

Controlled assets and liabilities as at 30 June 2023

	<i>Parliamentary reports (\$ thousand)</i>		<i>Financial statement audit and assurance reports (\$ thousand)</i>		<i>Total (\$ thousand)</i>	
	2022–23	2021–22	2022–23	2021–22	2022–23	2021–22
<b>Assets</b>						
Financial assets	8 313	8 749	17 988	16 817	26 301	25 566
Non-financial assets	1 307	1 569	2 829	3 017	4 136	4 586
<b>Total assets</b>	<b>9 620</b>	<b>10 318</b>	<b>20 817</b>	<b>19 834</b>	<b>30 437</b>	<b>30 152</b>
<b>Liabilities</b>						
Total liabilities	3 657	4 087	7 912	7 857	11 569	11 944
Net assets	5 963	6 231	12 905	11 977	18 868	18 208



## 2.2.2 Administered items

Administered income includes recovery of audit costs incurred for performing financial and performance statement audits. VAGO does not control the income and assets arising from audit fees and collects these amounts on behalf of the State. The income and related assets are disclosed as Administered Items. As VAGO has an annotated income agreement for financial audit fees, the output appropriation used to fund the costs of financial audit services (see Note 2.1) is increased by an equivalent amount.

Administered expenses include payments made on behalf of the State and payments into the Consolidated Fund. Administered assets include government income earned but not yet collected. Administered liabilities include government expenses incurred but not yet paid.

Controlled and administered items of VAGO are consolidated into the financial statements of the State.

Administered (non-controlled) items for the financial year ended 30 June 2023

	2022–23 (\$ thousand)	2021–22 (\$ thousand)
<b>Administered income from transactions</b>		
Reimbursement of audit costs charged	33 366	30 464
<b>Total administered income from transactions</b>	<b>33 366</b>	<b>30 464</b>
<b>Administered expenses from transactions</b>		
Payments into the Consolidated Fund	33 366	30 464
<b>Total administered expenses from transactions</b>	<b>33 366</b>	<b>30 464</b>
<b>Total administered net result from transactions (net operating balance)</b>	<b>-</b>	<b>-</b>
<b>Administered other economic flows included in administered net result</b>		
Net gain / (loss) on non-financial assets	-	-
<b>Total administered comprehensive result</b>	<b>-</b>	<b>-</b>
<b>Administered assets</b>		
Financial assets <sup>(i)</sup>	1 916	4 274
Non-financial assets (work in progress) <sup>(ii)</sup>	11 339	4 090
<b>Total administered assets</b>	<b>13 255</b>	<b>8 364</b>
<b>Administered liabilities</b>		
Amounts owing to the state	13 255	8 364
<b>Total administered liabilities</b>	<b>13 255</b>	<b>8 364</b>
<b>Total administered net assets</b>	<b>-</b>	<b>-</b>

Note:

(i) Receivables are comprised of financial statement audit debtors and are deemed wholly collectable.

(ii) A change in the timing and frequency of our billing process for the 2023 and onwards audit cycle resulted in the increase of our work in progress balance.

### 3. The cost of delivering our services

#### 3.1 Employees and contractors

Employee expenses include all costs related to employment, including superannuation.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for termination of employment. We recognise termination benefits when VAGO is either demonstrably committed to terminating an employee's employment according to a formal plan which has no possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Superannuation comprises employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

#### 3.1.1 Employee benefits included in the Comprehensive Operating Statement

	Note	2022-23 (\$ thousand)	2021-22 (\$ thousand)
Salaries and wages, annual leave and long service leave		25 765	23 876
Defined contribution superannuation expense	3.1.3	2 253	2 123
Defined benefit superannuation expense	3.1.3	49	51
<b>Total employee expenses</b>		<b>28 067</b>	<b>26 050</b>

VAGO does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees.

#### 3.1.2 Employee benefits provisions in the Balance Sheet

We make a provision for benefits accruing to employees for wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

##### Salaries and wages, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised:

- as current liabilities because VAGO does not have an unconditional right to defer their settlement
- at remuneration rates which are current at the reporting date and measured at undiscounted amounts, as it is expected the wages and salaries liabilities will be wholly settled within 12 months of reporting date.

No provision has been made for sick leave as it is non-vesting and not considered probable that the average sick leave taken in the future will be greater than the benefits accrued.

Employment on-costs such as payroll tax, the mental health and wellbeing surcharge, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment they relate to has occurred.

	2022-23 (\$ thousand)	2021-22 (\$ thousand)
<b>Current provisions</b>		
<b>Annual leave</b>		
Unconditional and expected to settle within 12 months	1 367	2 074
Unconditional and expected to settle after 12 months	465	-
<b>Long service leave</b>		
Unconditional and expected to settle within 12 months	455	421

	2022–23 (\$ thousand)	2021–22 (\$ thousand)
Unconditional and expected to settle after 12 months	2 044	1 890
Total provision for on-costs	777	738
Total current provisions for employee benefits	5 108	5 123
<b>Non-current provisions</b>		
<b>Total non-current provisions for employee benefits</b>	<b>319</b>	<b>301</b>
<b>Total provisions for employee benefits</b>	<b>5 427</b>	<b>5 424</b>
<b>Reconciliation of movement in on-cost provision</b>		
Opening balance	783	
Additional provisions recognised	43	
<b>Closing balance</b>	<b>826</b>	
Current	777	
Non-current	49	
<b>Total provisions for on-costs</b>	<b>826</b>	

#### Long-service leave

If	Then classified as	Because	Measured at
Unconditional	Current liability even where VAGO does not expect to settle within 12 months	VAGO does not have an unconditional right to defer settlement of the entitlement should an employee take leave within 12 months	Undiscounted value where VAGO expects to wholly settle within 12 months Present value where VAGO does not expect to wholly settle within 12 months
Conditional	Non-current liability	There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service	Present value

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates which are recognised as an 'other economic flow', in the net result.

### 3.1.3 Superannuation contributions

Superannuation contributions paid or payable for the reporting period form part of employee benefits in the Comprehensive Operating Statement.

	<i>Paid contribution for the year</i>		<i>Contribution outstanding at year end</i>	
	2022–23 (\$ thousand)	2021–22 (\$ thousand)	2022–23 (\$ thousand)	2021–22 (\$ thousand)
<b>Defined benefit plans</b>				
State Superannuation Fund	49	51	-	-

	Paid contribution for the year		Contribution outstanding at year end	
	2022–23 (\$ thousand)	2021–22 (\$ thousand)	2022–23 (\$ thousand)	2021–22 (\$ thousand)
<b>Defined contribution plans</b>				
Aware Super	1 170	1 019	-	44
Other employee nominated plans	1 101	1 137	-	41
<b>Total<sup>(i)</sup></b>	<b>2 320</b>	<b>2 207</b>	<b>-</b>	<b>85</b>

Note:

(i) The total paid excludes accruals brought forward at 1 July 2022, and accruals carried forward at 30 June 2023, and therefore does not equal the totals in Note 3.1.1.

### 3.2 Contracted audit services

VAGO contracts certain audit services to external professional firms. These costs are recognised as an expense in the reporting period in which they are incurred. At the end of the reporting period, we make an estimate of the value of services provided but not yet invoiced. We recognise the value of services not yet invoiced as an accrual in the Balance Sheet, and as an expense in the Comprehensive Operating Statement.

### 3.3 Other operating expenses

Other operating expenses represent day-to-day running costs incurred in normal operations and are recognised as an expense in the reporting period in which they are incurred.

	2022–23 (\$ thousand)	2021–22 (\$ thousand)
Training	558	534
Lease payments (accommodation)	244	413
Interest	58	180
Recruitment	428	166
Motor vehicles and travel costs	98	47
Other office expenses	323	739
<b>Total other operating expenses</b>	<b>1 709</b>	<b>2 079</b>

## 4. Key assets to support our output delivery

### Property, plant and equipment

Property, plant and equipment (PPE) are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

They are subsequently measured at fair value less accumulated depreciation and impairment.

### Fair value measurement

Assets carried at fair value and how their fair values were determined are disclosed in Note 4.3.

**Fair value** is normally determined by reference to the asset's current replacement cost.

## 4.1 Property, plant and equipment

	Gross carrying amount (\$ thousand)		Accumulated depreciation (\$ thousand)		Net carrying amount (\$ thousand)	
	2022–23	2021–22	2022–23	2021–22	2022–23	2021–22
Right-of-use asset—property	3 757	3 757	(1 899)	(1 425)	1 858	2 332
Right-of-use asset—vehicles	71	71	(28)	(18)	43	53
Leasehold improvements	1 722	1 722	(1 047)	(875)	675	847
Furniture, fittings and equipment	128	140	(128)	(140)	-	-
Computer software and equipment	1 431	1 662	(773)	(904)	658	758
<b>Total property, plant and equipment</b>	<b>7 109</b>	<b>7 352</b>	<b>(3 875)</b>	<b>(3 362)</b>	<b>3 234</b>	<b>3 990</b>

### 4.1.1 Reconciliation of movements in carrying amount of property, plant and equipment

	Right-of-use asset—property (\$ thousand)	Right-of-use asset—vehicles (\$ thousand)	Leasehold improvements (\$ thousand)	Furniture, fittings and equipment (\$ thousand)	Computer software and equipment (\$ thousand)	Total (\$ thousand)
<b>Balance at 1 July 2021</b>	<b>7 758</b>	<b>177</b>	<b>2 813</b>	<b>26</b>	<b>253</b>	<b>11 027</b>
Additions	-	-	-	-	648	648
Depreciation	(4 600)	(104)	(1 666)	-	-	(6 370)
Disposals	(826)	(20)	(300)	(26)	(143)	(1 315)
<b>Balance at 30 June 2022</b>	<b>2 332</b>	<b>53</b>	<b>847</b>	<b>-</b>	<b>758</b>	<b>3 990</b>
Additions	-	-	-	-	125	125
Disposals	-	-	-	-	(15)	(15)
Depreciation	(474)	(10)	(172)	-	(210)	(866)
<b>Balance at 30 June 2023</b>	<b>1 858</b>	<b>43</b>	<b>675</b>	<b>-</b>	<b>658</b>	<b>3 234</b>

## 4.2 Depreciation and amortisation

### Useful lives

We depreciate property, plant and equipment as an expense on a straight-line basis, less any estimated residual value, over their estimated useful lives. We depreciate leasehold improvements and right-of-use assets over the shorter of the lease term or their useful lives.

Depreciation begins when the asset is available for use in the location and condition necessary for it to be capable of operating in the manner management intended.

We review estimated useful lives, residual values and depreciation methods at the end of each annual reporting period, and make adjustments where appropriate.

Asset class	Estimated useful life (years)
Right-of-use asset—property	8
Right-of-use asset—vehicles	3

Asset class	Estimated useful life (years)
Leasehold improvements	2–10
Furniture, fittings and equipment	2–10
Computer software and equipment	3–4

### Impairment

We expect the recoverable amount of assets to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 *Impairment of Assets* does not apply to such assets that are regularly revalued.

### 4.3 Fair value determination

Fair value determination requires judgement and the use of assumptions. Changes to assumptions could have a material impact on the results and financial position of VAGO.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities (initial recognition at fair value and subsequently measured at amortised cost)
- plant and equipment.

**Fair value** is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### Fair value hierarchy

For those assets and liabilities for which fair values are determined, the following disclosures have been included:

- a reconciliation of the movements in fair values from the beginning of the year to the end
- details of significant unobservable inputs used in the fair value determination.

#### 4.3.1 Fair value determination of financial assets and liabilities

The carrying amounts of financial assets and financial liabilities recognised at the balance date—consisting of cash, receivables, payables and borrowings—represent fair value. This is due to their short-term nature or the expectation that they will be paid in full by the end of the next reporting period.

#### 4.3.2 Fair value determination: non-financial physical assets

We classify non-financial physical assets as Level 3 in the fair value hierarchy. There have been no transfers between levels during the period.

Note 4.1.1 reconciles movements in the carrying amount of plant and equipment, including those classified as Level 3.

Significant unobservable inputs have remained unchanged since June 2022.

#### 4.3.3 Description of significant unobservable inputs to Level 3 valuations

2022-23 and 2021-22	Valuation technique	Significant unobservable inputs
Leasehold improvements	Current replacement cost	<ul style="list-style-type: none"> <li>• Current replacement cost per unit</li> <li>• Useful life of leasehold improvement</li> </ul>
Other plant and equipment	Current replacement cost	<ul style="list-style-type: none"> <li>• Current replacement cost per unit</li> <li>• Useful life of other property, plant and equipment</li> </ul>

## 4.4 Right-of-use assets and lease liabilities

### VAGO as a lessee

We recognise right-of-use assets and lease liabilities at lease commencement date.

We initially measure right-of-use assets at cost, which comprises the initial amount of the lease liability adjusted for:

- lease payments made at or before the commencement date less lease incentives received
- initial direct costs incurred
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use assets are then depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and periodically reduced by impairment losses where applicable. Right-of-use assets are subject to revaluation.

Lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate from Treasury Corporation of Victoria (TCV). Generally, we use an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities comprise:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate at the commencement date
- amounts expected to be payable under a residual value guarantee
- payments arising from purchase and termination options reasonably certain to be exercised.

Subsequent to initial measurement, a liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in substance to fixed payments.

When a lease liability is re-measured, we make a corresponding adjustment to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### Short-term and low value leases

We do not have any short-term leases with a term of 12 months or less or low-value asset leases (individual assets worth less than \$10,000).

#### 4.4.1 Lease liabilities

	2022–23 (\$ thousand)	2021–22 (\$ thousand)
<b>Maturity analysis—contractual undiscounted cash flows</b>		
Less than one year	593	550
One to five years	1 967	2 543
More than five years	-	-
<b>Total undiscounted lease liabilities</b>	<b>2 560</b>	<b>3 093</b>
Less: future finance charges	(118)	(175)
<b>Present value of minimum lease payments</b>	<b>2 442</b>	<b>2 918</b>

#### Lease liabilities included in the Balance Sheet

Current	545	492
Non-current	1 897	2 426
<b>Total lease liabilities</b>	<b>2 442</b>	<b>2 918</b>

#### 4.4.2 Amounts recognised in the Comprehensive Operating Statement

	2022–23 (\$ thousand)	2021–22 (\$ thousand)
Interest expense on lease liabilities	58	180

#### 4.4.3 Amounts recognised in the Statement of Cashflows

	2022–23 (\$ thousand)	2021–22 (\$ thousand)
Repayment of lease liabilities	(476)	682

## 5. Other assets and liabilities

### 5.1 Receivables

Receivables consist of statutory receivables which are recognised and measured similarly to contractual receivables (except for the need for impairment) but are not classified as financial instruments as they do not arise from contracts. AASB 9 applies to the initial measurement of the statutory receivables. As a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

	2022–23 (\$ thousand)	2021–22 (\$ thousand)
<b>Contractual</b>		
Other receivables	24	24
<b>Statutory</b>		
Amounts owing from Victorian Government <sup>(i)</sup>	26 277	25 542
<b>Total receivables</b>	<b>26 301</b>	<b>25 566</b>
<b>Represented by</b>		
Current receivables	8 860	8 555
Non-current receivables	17 441	17 011
<b>Total receivables</b>	<b>26 301</b>	<b>25 566</b>

*Note:*

(i) The total amount recognised as owing from the Victorian Government was \$26,301,000 (2021-22: \$25,566,000) of which \$8,860,000 (2021-22: \$8,555,000) is likely to be drawn down in the next financial year and is reported accordingly as a current receivable. The amount recognised as owing from the Victorian Government comprises previously applied Parliamentary appropriations not yet drawn down. The balance is represented by accumulated surpluses, payables, movements in provisions and accumulated depreciation and amortisation net of asset acquisition.



## 5.2 Other non-financial assets

Other non-financial assets include prepayments, which represent payments in advance of receipt of goods or services or the part of expenditure made in one accounting period that covers a term extending beyond that period.

	2022–23 (\$ thousand)	2021–22 (\$ thousand)
<b>Other non-financial assets</b>		
Current prepayments	413	365
Non-current prepayments	1	-
<b>Total other non-financial assets</b>	<b>414</b>	<b>365</b>

## 5.3 Payables

Payables consist of:

- contractual payables, classified as financial instruments, measured at amortised cost. Accounts payable represent liabilities for goods and services provided prior to the end of the financial year that are unpaid.
- statutory payables are recognised and measured similarly to contractual payables, but not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

See Note 7.1.2 for the maturity analysis of contractual payables.

	2022–23 (\$ thousand)	2021–22 (\$ thousand)
<b>Contractual</b>		
Supplies and services <sup>(i)</sup>	3 110	2 506
Amounts payable to government agencies	13	12
Lease incentive <sup>(ii)</sup>	663	832
Other payables	7	-
<b>Statutory</b>		
GST (receivable)/payable	(276)	124
FBT payable	5	-
Other taxes payable <sup>(iii)</sup>	178	128
<b>Total payables</b>	<b>3 700</b>	<b>3 602</b>
<b>Represented by</b>		
Current payables	3 207	2 940
Non-current payables	493	662
<b>Total payables</b>	<b>3 700</b>	<b>3 602</b>

Note:

- (i) Supplies and services principally comprise payables due for contracted audit services.
- (ii) Lease incentive payable relates to funding provided by the lessor of VAGO's premises. This is amortised over the term of the lease and credited to the lease liability.
- (iii) Excludes GST and FBT payable to government.

## 6. How we financed our operations

### 6.1 Cash flow information

Due to the State's investment policy and funding arrangements, we do not hold a cash reserve in our bank accounts. Cash received from generation of income is paid into the State's bank account ('public account'). Similarly, our expenditure is paid via the public account. The public account remits to us the cash required when payments to suppliers have cleared in our bank account.

#### 6.1.1 Reconciliation of net result for the period to cash flow from operating activities

	2022-23 (\$ thousand)	2021-22 (\$ thousand)
<b>Net result for the period</b>	<b>660</b>	2 162
<b>Non-cash movements</b>		
Loss/(gain) on disposal of non-current assets	15	(436)
Depreciation of non-current assets	1 010	1 453
<b>Movements in assets and liabilities</b>		
(Increase) /decrease in receivables	(735)	(2 244)
(Increase)/decrease in prepayments	(49)	283
Increase/(decrease) in payables	98	404
Increase/(decrease) in provisions	3	(162)
<b>Net cash flows from/(used in) operating activities</b>	<b>1 002</b>	<b>1 460</b>

### 6.2 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. We record these commitments at their nominal value inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the Balance Sheet.

#### 6.2.1 Lease commitments

	2022-23 (\$ thousand)	2021-22 (\$ thousand)
<b>Lease commitments payable</b>		
Less than 1 year	253	242
Longer than 1 year but not longer than 5 years	1 103	1 108
5 years or more	-	-
<b>Total lease commitments payable</b>	<b>1 356</b>	<b>1 350</b>
<b>Contract audit service commitments payable<sup>(i)</sup></b>		
Less than 1 year	12 207	8 534

	2022–23 (\$ thousand)	2021–22 (\$ thousand)
Longer than 1 year but not longer than 5 years	20 575	8 687
5 years or more	-	-
<b>Total contract audit service commitments payable</b>	<b>32 782</b>	<b>17 221</b>
<b>Total commitments (inclusive of GST)</b>	<b>34 138</b>	<b>18 571</b>
Less GST recoverable from the Australian Taxation Office	(3 103)	(1 688)
<b>Total commitments (exclusive of GST)</b>	<b>31 035</b>	<b>16 883</b>

Note:

(i) Contract audit service commitments relate to fees payable to professional firms for the conduct of financial statement audits on behalf of VAGO, and do not relate to leases accounted under AASB 16 *Leases*.

### 6.3 Contingent assets and contingent liabilities

At the reporting date, we are not aware of any contingent assets or contingent liabilities.

## 7. Risks and valuation judgements

### 7.1 Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Certain financial assets and financial liabilities arise under statute rather than a contract (i.e. taxes). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

VAGO applies AASB 9 *Financial Instruments* and classifies its financial assets based on the business model for managing the assets and its contractual terms.

#### Categories of financial assets

##### Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by VAGO to collect the contractual cash flows
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest

We initially recognise these assets at fair value plus any directly attributable transaction costs. We subsequently measure these assets at amortised cost using the effective interest method less any impairment.

We recognise the following assets in this category:

- cash
- receivables (excluding statutory receivables)

#### Categories of financial liabilities

We initially recognise financial liabilities at amortised cost on the date they originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, we measure these financial instruments at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability using the effective interest rate method. We recognise the following liabilities in this category:

- payables (excluding statutory payables)
- lease liabilities

### Impairment of financial assets

We record the allowance for expected credit loss for the relevant financial instruments applying AASB 9's expected credit loss approach. Subject to AASB 9, impairment assessment include VAGO's contractual receivables and statutory receivables.

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

## 7.1.1 Financial instruments: Categorisation

	2022-23 (\$ thousand)	2021-22 (\$ thousand)
<b>Contractual financial assets</b>		
<b>Receivables<sup>(i)</sup></b>		
Other receivables	24	24
<b>Total contractual financial assets</b>	<b>24</b>	<b>24</b>
<b>Contractual financial liabilities at amortised cost</b>		
<b>Payables<sup>(i)</sup></b>		
Supplies and services	3 110	2 506
Amounts payable to government and agencies	13	12
Lease incentive	663	832
Other payables	7	-
Borrowings		
<b>Finance lease liabilities</b>	<b>2 442</b>	2 918
<b>Total contractual financial liabilities</b>	<b>6 235</b>	<b>6 268</b>

*Note:*

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable). Statutory financial assets will be used to cover payment of contractual financial liabilities.

## 7.1.2 Financial risk management objectives and policies

Our financial risk management program seeks to manage exposures to financial risks and the associated volatility of its financial performance.

We disclose details of the significant accounting policies and methods adopted with respect to each class of financial asset, financial liability and equity instruments in the notes to the financial statements. This includes the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised.

The main purpose in holding financial instruments is to prudently manage our financial risks within the legislative and government policy parameters.

Our main financial risks include credit risk, liquidity risk and interest rate risk.

We use different methods to measure and manage the different risks to which we are exposed. Primary responsibility for the identification and management of financial risks rests with the accountable officer.

### Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Credit risk associated with our contractual financial assets is minimal because the main debtor is the Victorian Government.

### Financial instruments: Liquidity risk

The following table discloses the contractual maturity analysis for VAGO's contractual financial liabilities:

#### Maturity analysis of contractual financial assets and liabilities

2022–23	Carrying amount (\$ thousand)	Nominal amount (\$ thousand)	Maturity dates				
			Less than 1 month (\$ thousand)	1–3 months (\$ thousand)	3 months – 1 year (\$ thousand)	1–5 years (\$ thousand)	5+ years (\$ thousand)
<b>Receivables</b>							
Other receivables	24	24	24	-	-	-	-
<b>Total contractual receivables</b>	<b>24</b>	<b>24</b>	<b>24</b>	-	-	-	-
<b>Payables</b>							
Supplies and services	3 110	3 110	3 110	-	-	-	-
Amounts payable to government and agencies	13	13	13	-	-	-	-
Lease incentive	663	663	15	28	127	493	-
Other payables	7	7	7	-	-	-	-
<b>Borrowings</b>							
Finance lease liabilities	2 442	2 442	84	83	378	1 897	-
<b>Total contractual financial liabilities</b>	<b>6 235</b>	<b>6 235</b>	<b>3 229</b>	<b>111</b>	<b>505</b>	<b>2 390</b>	-

2021–22	Carrying amount (\$ thousand)	Nominal amount (\$ thousand)	Maturity dates				
			Less than 1 month (\$ thousand)	1–3 months (\$ thousand)	3 months – 1 year (\$ thousand)	1–5 years (\$ thousand)	5+ years (\$ thousand)
<b>Receivables</b>							
Other receivables	24	24	24	-	-	-	-
<b>Total contractual receivables</b>	<b>24</b>	<b>24</b>	<b>24</b>	-	-	-	-
<b>Payables</b>							
Supplies and services	2 506	2 506	2 495	11	-	-	-
Amounts payable to government and agencies	12	12	12	-	-	-	-

*Maturity dates*

2022–23	Carrying amount (\$ thousand)	Nominal amount (\$ thousand)	Less than 1 month (\$ thousand)	1–3 months (\$ thousand)	3 months – 1 year (\$ thousand)	1–5 years (\$ thousand)	5+ years (\$ thousand)
Lease incentive	832	832	14	28	127	663	-
<b>Borrowings</b>							
Finance lease liabilities	2 918	2 918	41	81	371	2 425	-
<b>Total contractual financial liabilities</b>	<b>6 268</b>	<b>6 268</b>	<b>2 562</b>	<b>120</b>	<b>498</b>	<b>3 088</b>	<b>-</b>

*Interest rate exposure of financial instruments*

Except for lease liabilities, our financial instruments are non-interest bearing. The carrying value and weighted average fixed interest rate exposure of finance lease liabilities in 2022–23 was \$43,000 at 2.75% (2021–22: \$53,000 at 2.75%).

## 8 Other disclosures

### 8.1 Responsible persons

We make the following accountable officer disclosures in accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*.

#### Remuneration

Remuneration received or receivable by the accountable officer during the reporting period was in the following range:

	2022–23 No.	2021–22 No.
\$550 000–\$559 999	-	1
\$560 000–\$569 999	1	-

Given the independent relationship of the Auditor-General with the Parliament, no government minister has any direct responsibility for the operations of VAGO.

Andrew Greaves, Auditor-General, held the Accountable Officer Position in relation to VAGO for the full year.

### 8.2 Remuneration of executives

The number of executive officers, other than the accountable officer, and their total remuneration during the reporting period are shown in the table below.

Total annualised employee equivalent measures full-time equivalent executive officers over the reporting period.

We measure remuneration amounts as required by AASB 119 *Employee Benefits*.

Remuneration of executive officers (including key management personnel disclosed in Note 8.3)<sup>(i)</sup>

	2022–23 (\$ thousand)	2021–22 (\$ thousand)
Short-term employee benefits	4 945	5 013
Post-employment benefits	495	483
Other long-term benefits	63	15
<b>Total remuneration</b>	<b>5 503</b>	<b>5 511</b>
<b>Total number of executives<sup>(ii)</sup></b>	<b>29</b>	<b>29</b>
<b>Total annualised employee equivalents<sup>(iii)</sup></b>	<b>23.8</b>	<b>24.2</b>

Note:

(i) Definitions for remuneration categories are disclosed in Note 8.7.

(ii) The total number of executive officers includes persons who meet the definition of key management personnel of the entity under AASB 124 *Related Party Disclosures* and are also reported in Note 8.3.

(iii) Annualised employee equivalent is based on the time fraction worked over the reporting period.

### 8.3 Related parties

VAGO is a wholly owned and controlled entity of the State of Victoria. Related parties of VAGO include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- all cabinet ministers and their close family members
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into at an arm's length basis.

### Significant transactions with government-related entities

We received funding and made payments to the Consolidated Fund of \$52.8 million (2021-22: \$49.4 million) and \$33.4 million (2021-22: \$30.5 million).

During the year, we had the following government-related entity transactions:

	2022-23 (\$ thousand)	2021-22 (\$ thousand)
<b>Income from financial statement audits</b>		
Department of Treasury and Finance	1 157	1 184
Department of Energy, Environment and Climate Action (previously Department of Environment, Land, Water and Planning)	765	389
Department of Transport and Planning (previously Department of Transport)	705	979
Other government related parties <sup>(i)</sup>	26 106	29 125
<b>Total significant transactions with government-related entities</b>	<b>28 733</b>	<b>31,677</b>

Note:

(i) Transactions with other related parties are collectively, but not individually significant.

### Key management personnel

Our key management personnel are the accountable officer and members of the Strategic Management Group (SMG), comprising:

- David Barry, Deputy Auditor-General
- Roberta Skliros, Assistant Auditor-General, Financial Audit
- Megan Kirchner, Assistant Auditor-General, Performance Audit (commenced 6 March 2023)
- Ben Hasker, Acting Assistant Auditor-General, Performance Audit (17 October 2022 to 5 March 2023)
- Sheraz Siddiqui, Acting Assistant Auditor-General, Performance Audit (1 July 2022 to 12 November 2022)

	2022-23 (\$ thousand)	2021-22 (\$ thousand)
<b>Compensation of KMP</b>		
Short-term employee benefits	1 441	1 440
Post-employment benefits	100	92
Other long-term benefits	37	-
<b>Total<sup>(i)</sup></b>	<b>1 578</b>	<b>1 532</b>

Note:

(i) KMP are also reported in the disclosure of responsible persons (Note 8.1) and remuneration of executives (Note 8.2).

### Transactions and balances with KMP and other related parties

There were no related party transactions that involved KMP, their close family members and their personal business interests in the current reporting period.



## 8.4 Remuneration of auditors

	2022–23 (\$ thousand)	2021–22 (\$ thousand)
<b>PKF Melbourne</b>		
Audit of the financial statements	39	37
Review of the performance statement	4	3
<b>Total</b>	<b>43</b>	<b>40</b>

Steven Bradby from PKF Melbourne was appointed to this position in 2020.

Parliament appoints the auditor of VAGO and the Public Accounts and Estimates Committee pays them in accordance with the *Audit Act 1994*.

For these payments, we disclose an amount equal to the fair value of services received free of charge or for nominal consideration.

## 8.5 Subsequent events

We had no events that occurred between the end of the reporting period and the date when the financial statements are authorised for issue that would require adjustment to, or disclosure in the financial statements.

## 8.6 Australian Accounting Standards issued that are not yet effective

AASB issued new and revised accounting standards that become effective for reporting periods commencing after 1 July 2023. We do not expect to be materially impacted by these.

## 8.7 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

**Actuarial gains or losses on superannuation defined benefit plans** are changes in the present value of the superannuation defined benefit liability resulting from:

- experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- the effects of changes in actuarial assumptions.

**Administered item** refers to VAGO lacking the capacity to benefit from that item in the pursuit of its objectives and to deny or regulate the access of others to that benefit.

**Assets** include property, plant and equipment and certain intangible assets. Intangible assets include computer software.

**Commitments** include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

**Comprehensive result** is the amount in the operating statement representing total change in net worth other than transactions with owners as owners.

**Controlled item** refers to the capacity of VAGO to benefit from that item in the pursuit of its objectives and to deny or regulate the access of others to that benefit.

**Depreciation** is an expense that arises from the consumption through wear or time of a physical or intangible asset. This expense is classified as a 'transaction' and reduces the 'net result from transactions'.

**Employee benefits expenses** include all costs related to employment including salaries and wages, mental health and wellbeing charges, fringe benefits tax, leave entitlements, termination payments, WorkCover premiums, defined benefits superannuation plans, and defined contribution superannuation plans.

**Financial asset** is any asset that is:

- cash

- a contractual right
- to receive cash or another financial asset from another entity
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

**Financial instrument** is any contract that gives rise to a financial asset of one entity and a financial liability of another entity.

**Financial liability** is any liability that is:

- a contractual obligation
- to deliver cash or another financial asset to another entity
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

Financial **statements** comprise:

- a Balance Sheet as at the end of the period
- a Comprehensive Operating Statement for the period
- a Statement of Changes in Equity for the period
- a Cash Flow Statement for the period
- notes of significant accounting policies and other explanatory information
- comparative information in respect of the preceding period

**Interest expense** represents costs incurred in connection with borrowings. It includes interest components of finance lease repayments, and amortisation of discounts or premiums in relation to borrowings.

**Leases** are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

**Net operating balance or net result from transactions** is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

**Net result** is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'. A positive net result represents a **surplus**, whilst a negative result is a **deficit**.

**Net worth** is calculated as assets less liabilities.

**Non-financial assets** are all assets that are not financial assets. It includes plant and equipment, intangible assets, prepayments and accrued income.

**Other economic flows included in net result** are changes in the volume or value of an asset or liability that do not result from transactions. They include gains and losses from disposals, impairments of non-current physical and intangible assets; and gains and losses arising from the revaluation of the long service leave liability.

**Other long-term benefits** include long service leave.

**Payables** includes short and long-term accounts payable, taxes and interest payable.

**Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Receivables** include amounts owing from government through appropriation receivable, short and long-term accounts receivable, and taxes receivable.

**Remuneration** comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

**Supplies and services** represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of VAGO.

## 8.8 Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts. The notation used in the tables is as follows:

-	zero, or rounded to zero
(xxx.x)	negative numbers
202x–2x	year period

The financial statements and notes are presented based on the illustration for a government department in the 2022-23 *Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of VAGO's annual reports.