

Appendix D: Audit and risk management

Audit and Risk Committee Chair's report for the year ended 30 June 2023

The Auditor-General appoints the Audit and Risk Committee to provide independent advice and assist in the discharge of their responsibilities for:

- the management of VAGO's risk, control and compliance framework
- the external accountability responsibilities as prescribed in the *Financial Management Act 1994*
- other relevant legislation and prescribed requirements.

All committee members are independent, non-executive members appointed for a term of three years and are eligible for reappointment subject to a formal review of the member's performance by the Auditor-General. All members have appropriate financial and industry expertise and an appropriate understanding of our operations.

Peter Niblett has been Chair of the Audit and Risk Committee since 1 May 2022. Rob Hogarth commenced as a member from the 24 August 2022 Audit and Risk Committee meeting.

The members of the Audit and Risk Committee for the year ended 30 June 2023 and their attendance at meetings are set out in the table below.

Audit and Risk Committee members for the year ended 30 June 2023

Committee member	Meetings held	Meetings attended
Peter Niblett (Chair)	4	4
Julie Fahey	4	3
Rob Hogarth (member from 24 August 2022)	4	4

The responsibilities of the committee are defined in its charter, which is approved by the Auditor-General, which are to:

- independently assess VAGO's financial and performance statements for completeness, consistency and conformity with accounting standards
- review the effectiveness of VAGO's internal control environment, covering:
 - effectiveness and efficiency of operations
 - reliability of financial reporting
 - compliance with applicable legislation and regulations.
- review and approve internal audit's annual audit work program, scope, progress, and any significant changes proposed
- meet periodically with the internal and external auditors, and maintain an open and transparent relationship
- consider recommendations made by the internal and external auditors and review the implementation of actions by management to resolve issues raised

- independently review and assess the effectiveness of VAGO's processes and controls across financial management, performance and sustainability, and risk management
- receive operational and risk management reports periodically, and briefings from the Auditor-General on significant issues affecting VAGO. During the year, the committee considered:
 - the Assurance Results Report from the external auditor for the year ended 30 June 2023, which identified no significant issues
 - status updates and review reports from the internal auditor, which include management's response to matters raised by internal audit, and progress on management remedial action
 - VAGO's operational management reports, risk management framework and risk register
 - the gifts, benefits and hospitality register and the Auditor-General's expenditure
 - policies and procedures in place for the development of VAGO's annual plan and budget and resource planning.

At the time of signing this report, the financial and performance statement for the year ended 30 June 2023 had been considered and recommended for adoption by the Auditor General.

The Audit and Risk Committee has met in camera with the Auditor-General, Deputy Auditor-General, the internal auditors, and the external auditors (as appropriate). The internal audit function was provided by SW Accountants and Advisors for the year ended 30 June 2023.



Peter Niblett

Chair, Audit and Risk Committee

15 August 2023

Financial Management Compliance Attestation Statement

I, Andrew Greaves, certify that the Victorian Auditor-General's Office has complied with the applicable Standing Directions 2018 under the *Financial Management Act 1994* and Instructions.



Andrew Greaves

Auditor-General

Victorian Auditor-General's Office

15 August 2023

Internal audit

We appointed ShineWing Australia as our internal auditor in October 2019. The internal auditor reports to our Audit and Risk Committee and the Auditor-General. ShineWing performed the following internal audits this year:

- Audit Services Provider Management and Supervision Phase 2
- Cyber Security Review
- ERP System Implementation Phase 2
- Financial Management Compliance Framework
- Management Reporting Effectiveness
- Risk Management Framework Review

The internal auditor attended each meeting of our Audit and Risk Committee where reports are considered and the status of the internal audit program is discussed.

Environmental management

VAGO's environmental performance for 2022–23 and 2021–22

Indicator	2022–23	2021–22
Energy use		
Total energy usage segmented by primary source (MJ)	515,808	814,782
Electricity (MJ)—excluding Green Power(a)	434,354	681,777
Natural gas (MJ)	81,454	133,005
Green power (MJ)	-	-
Total greenhouse gas emissions from energy consumption (tonnes CO₂e)	53	89
Electricity (tonnes CO ₂ e)—excluding Green Power(a)	48	82
Natural gas (tonnes CO ₂ e)	5	7
Percentage of electricity purchased as Green Power	-	-
Units of office energy used per FTE (MJ/FTE)	2,772	4,479
Units of office energy used per office area (MJ/m ²)	198	313
Waste and recycling^(a)		
Paper use		
Total units of A4 equivalent copy paper used (reams)	67	54
Units of A4 equivalent copy paper used per FTE (reams/FTE)	<1	<1
75–100% recycled content	-	-
0–49% recycled content	100%	100%
Water consumption		
Total water consumption (kilolitres)	513	573
Units of office water used per FTE (kilolitres)	3	3

Indicator	2022–23	2021–22
Units of office water used per office area (kilolitres/m ²)	<1	<1
Travel and transport		
Total energy consumption by vehicle fleet (MJ)	175,881	223,652
Total distance travelled by fleet (km)	45,636	58,157
Total greenhouse gas emissions from vehicle fleet (tonnes CO ₂ e)	12	15
Greenhouse gas emissions from vehicle fleet per 1000km (tonnes CO ₂ e)	<1	<1
Total distance travelled by air	40,340	5,414
Greenhouse gas emissions		
Total greenhouse gas emissions associated with energy use (tonnes CO ₂ e)	53	89
Total greenhouse gas emissions associated with vehicle fleet (tonnes CO ₂ e)	12	15
Total greenhouse gas emissions associated with air travel (tonnes CO ₂ e)	10	1
Total greenhouse gas emissions associated with waste disposal (tonnes CO ₂ e)	<1	<1

Note:

(a) Waste and recycling data not available.

Source: VAGO.