

Appendix C:

Scope of this review

The Auditor-General provides independent assurance to the Parliament of Victoria and the Victorian community on the performance of the state and local government public sectors. As part of this limited assurance review, we ask agencies to update us on their implementation of our performance engagement recommendations each year. This provides transparency and accountability on government activities where no legislative requirement exists.

Our performance engagements and recommendations Our performance engagements:

- assess whether agencies have effective, efficient and economical programs and services
- assess compliance with legislation
- identify activities that work well and reflect better practice.

Our reports give recommendations for audited agencies to improve key aspects of their operations. We ask agencies to respond to our recommendations by stating if they accept them, what action they will take and how long they expect it will take to complete. We include their responses in the final report tabled in Parliament.

This annual follow-up survey tracks agencies' progress in addressing our recommendations. Since 2019–20, we have publicly reported on each agency's progress.

Scope of this review

Our review objective

This review assessed whether agencies can demonstrate that actions taken directly address the recommendations and are implemented in a timely manner.

Who we examined

We examined the agencies listed in Appendix D.

What we examined

We examined all recommendations from our performance engagement reports tabled between July 2018 and June 2022. We surveyed agencies with unresolved recommendations tabled during this period. The survey asked whether they accept our recommendations and how they are progressing in addressing them.

We also examined unresolved aging (older) recommendations from March 2016 to June 2018.

We asked agencies to attest their survey responses were accurate and complete. We include individual survey responses in Appendix G.

Figure C1: Engagements and recommendations included in this review by tabling year

	2018–19	2019–20	2020–21	2021–22	Total
Engagements	26	15	18	18	77
Recommendations	589	269	328	332	1518

Source: VAGO.

Figure C2: Unresolved aging recommendations included in this review by tabling year

	2015–16	2016–17	2017–18	Total
Engagements	1	4	10	15
Recommendations	1	9	28	38

Source: VAGO.

Conducting this review

Our methods

A limited assurance review is a performance engagement that provides less assurance than a 'reasonable assurance' engagement, but allows us to quickly and cost-effectively respond to, examine and report on issues where the additional evidence that would be obtained for a 'reasonable assurance' engagement is not required. Consequently, it does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Our review procedures included asking agencies to complete a survey regarding their implementation of performance engagement recommendations, and attest that the responses provided were accurate and complete.

Compliance

We conducted this limited assurance review in accordance with the *Audit Act 1994* and *Australian Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

We also provided a copy of the report to the Department of Premier and Cabinet and Department of Treasury and Finance.

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

Cost and time

The full cost of the review and preparation of this report was \$112,000.

The duration of the review was 4 months from initiation to tabling.

Our goal

Our BP3 measure

We rate our performance against the Budget Paper 3: Service Delivery (BP3) measure, 'Percentage of performance audit recommendations accepted which are reported as implemented by audited agencies', noting that we are limited to influencing agencies to improve performance.

Performance against our goal

Our goal is for agencies to report they have completed 80 per cent of initially accepted recommendations across a 2-year timeframe (2019–20 and 2020–21). Of the audits we tabled from 2019–20 to 2020–21, agencies initially accepted 559 of our 597 recommendations (93.6 per cent).

Of these accepted recommendations, agencies reported that they:

- have completed 429 (76.7 per cent)
 - have actions under way to complete 119 recommendations (21.3 per cent)
 - have not or will not act on 11 recommendations (2 per cent).
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Other ways we monitor our engagements

This limited assurance review is the key monitoring tool for the implementation of our performance engagement recommendations.

We also conduct follow-up reviews of performance engagements. These examine agency progress and improvement since the respective original review.

More information

We published a dashboard on our website (www.audit.vic.gov.au) which contains further details of agency responses to each of our 1,518 recommendations tabled between July 2018 and June 2022.
