

Appendix E: Audit and risk management

ARC chair's report for the year ended 30 June 2024

The Auditor-General appoints the ARC 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 3 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 resigned from the ARC in September 2023. After a competitive recruitment process, existing member Rob Hogarth commenced as chair from December 2023 and John Gavens was appointed as a member.

The members of the ARC for the year ended 30 June 2024 and their attendance at meetings are set out in the table below.

Figure E1: ARC meetings attendance for the year 30 June 2024

Meeting	Rob Hogarth	Julie Fahey	John Gavens	Peter Niblett
July 2023	M	M		C
August 2023	M	M		C
October 2023	AC	M	M	
December 2023	C	M	M	
March 2024	C	M	M	
April 2024	C	M	M	
June 2024	C	N	M	
Total meetings attended	7	7	5	2

Note: AC = acting chair, C = chair, M = member.

Source: VAGO.

The main responsibilities of the ARC members 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, as appropriate, 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 independent performance audit of the Auditor-General and VAGO
- 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 2024 had been considered and recommended for adoption by the Auditor-General.

The ARC 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 2024.



Rob Hogarth

Chair, Audit and Risk Committee

26 August 2024

Financial Management Compliance Attestation Statement

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



Dave Barry

Acting Auditor-General

Victorian Auditor-General's Office

26 August 2024

Internal audit

We appointed SW Accountants and Advisors as our internal auditor in October 2019. Internal audit reports conducted this year and reported to the ARC and Auditor-General include:

- cybersecurity review
- follow-up of implementation of internal audit and PAEC recommendations
- knowledge and records management
- cost allocation review
- fraud controls and conflict of interest.

Environmental management

Figure E2: VAGO's environmental performance for 2023–24 and 2022–23

Indicator	2023–24	2022–23
Total energy usage segmented by primary source (MJ)	500,965	515,808
Electricity (MJ) excluding green power	428,040	434,354
Natural gas (MJ)	72,925	81,454
Green power (MJ)	-	-
Total greenhouse gas emissions from energy consumption (tonnes CO₂e)	101	53
Electricity (tonnes CO ₂ e) – excluding green power	97	48
Natural gas (tonnes CO ₂ e)	4	5
Percentage of electricity purchased as green power	-	-
Units of office energy used per FTE (MJ/FTE)	2,428	2,772
Units of office energy used per office area (MJ/m ²)	532	198
Waste and recycling^(a)		
Paper use		
Total units of A4 equivalent copy paper used (reams)	110	67
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)	610	513
Units of office water used per FTE (kilolitres)	3	3
Units of office water used per office area (kilolitres/m ²)	<1	<1
Travel and transport		
Total energy consumption by vehicle fleet (MJ)	59,578	175,881
Total distance travelled by fleet (km)	14,328	45,636
Total greenhouse gas emissions from vehicle fleet (tonnes CO ₂ e)	4	12
Greenhouse gas emissions from vehicle fleet per 1,000 km (tonnes CO ₂ e)	<1	<1

Indicator	2023–24	2022–23
Total distance travelled by air (km)	59,935	40,340
Greenhouse gas emissions		
Total greenhouse gas emissions associated with energy use (tonnes CO ₂ e)	101	53
Total greenhouse gas emissions associated with vehicle fleet (tonnes CO ₂ e)	4	12
Total greenhouse gas emissions associated with air travel (tonnes CO ₂ e)	12	10

Note: ^(a)Waste and recycling data not available.

Source: VAGO.