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Follow-up: Management of Spending in Response to COVID-19

October 2026

Independent assurance report to Parliament
2026–27:7

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ISSN 3083-130X (Online)

ISSN 3083-1318 (Print)

Follow-up: Management of Spending in Response to COVID-19

Independent assurance report to Parliament

Published by order, or under the authority,
of the Parliament of Victoria

October 2026

The Hon Shaun Leane MLC
President
Legislative Council
Parliament House
Melbourne

The Hon Maree Edwards MP
Speaker
Legislative Assembly
Parliament House
Melbourne

Dear Presiding Officers

Under the provisions of the *Audit Act 1994*, I transmit my report *Follow-up: Management of Spending in Response to COVID-19*.

Yours faithfully



Andrew Greaves
Auditor-General
22 October 2026

The Victorian Auditor-General's Office (VAGO) acknowledges the Traditional Custodians of the lands and waters throughout Victoria. We pay our respects to Aboriginal and Torres Strait Islander communities, their continuing culture, and to Elders past and present.

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Review snapshot

Have departments implemented recommendations from our past reports relating to COVID-19 expenditure, while continuing to report on the pandemic's ongoing financial impact?

Why we did this review

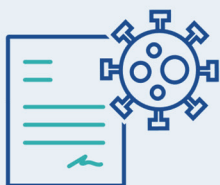
During a crisis, departments need to respond rapidly to unexpected events. However, departments still need to be transparent and accountable for how they spend public money.

Our 2021 report *Management of Spending in Response to COVID-19* found that not all departments effectively managed their spending during the pandemic, leading to waste in some instances.

We did this review to see if departments have implemented the actions they committed to in response to our recommendations about managing and reporting COVID-19 related spending.

Key background information

The Victorian Government's
COVID-19 pandemic
declaration ran from
March 2020 to
October 2022



The Department of Treasury
and Finance reported
whole-of-government
spending for **2019–20,**
2020–21 and **2021–22**
but it has not done so since



Source: VAGO.

What we concluded

Departments have made progress in responding to the recommendations in our 2021 report. However, gaps remain in the ways they report COVID-19 spending, manage grants and procure professional services.

The Victorian Government has spent at least \$39.8 billion on COVID-19. But there is still no accessible, whole-of-government picture of pandemic-related costs. This is because the Department of Treasury and Finance only published consolidated data for all departments until 2021–22, even though departments continued to experience financial impacts of the pandemic. These include legal costs, managing fraudulent or ineligible grant payments, and writing off expired personal protective equipment (PPE).

The Department of Jobs, Skills, Industry and Regions (DJSIR) managed \$11.1 billion in COVID-19 grants. By 30 June 2025, DJSIR had written off \$72.5 million it paid incorrectly to ineligible grant applicants as unrecoverable. This likely reflects a minimum amount lost to fraud and error. In making its recommendation to the minister not to pursue further recovery, DJSIR advised the period it could review the grants was coming to an end, the costs of further recovery would exceed any amounts recovered, and there was potential risk of damaging the government's reputation with low likelihood of improved recovery rates.

Most departments have improved their grants management frameworks since the pandemic.

Departments have improved their guidance on emergency procurement and hiring professional services. But their definitions of consultants, contractors and secondees remain inconsistent. There is a risk that current reporting requirements may limit transparency and some reporting of expenditure on consultants may be incomplete.

The Victorian Government has now developed a clear, whole-of-government process to procure and manage PPE. This means there is a reduced risk that the poor coordination and competition over scarce PPE, which we found in our 2021 report, will recur in future.

1.

Our key findings

What we examined

Our review followed 3 lines of inquiry:

1. Have departments implemented their action plans from our 2021 report *Management of Spending in Response to COVID-19*?
2. Has the Department of Jobs, Skills, Industry and Regions (DJSIR) addressed recommendation 7 from our *Auditor-General's Report on the Annual Financial Report of the State of Victoria: 2022–23* report, related to its management of grants?
3. Are departments transparently reporting the ongoing financial impact of COVID-19?

To answer these questions, we examined all 10 departments and the Victorian Managed Insurance Authority (VMIA).

We examined the Department of ...	or ...	which, at the time of our 2021 report, was the Department of ...
Education	DE	Education and Training.
Energy, Environment and Climate Action	DEECA	Environment, Land, Water and Planning.
Families, Fairness and Housing*	DFFH	Health and Human Services.
Government Services**	DGS	
Health*	DH	Health and Human Services.
Justice and Community Safety	DJCS	
Jobs, Skills, Industry and Regions	DJSIR	Jobs, Precincts and Regions.
Premier and Cabinet	DPC	
Treasury and Finance	DTF	
Transport and Planning	DTP	Transport.

*The Department of Health and Human Services was separated into DFFH and DH on 1 February 2021.

**DGS was established on 1 January 2023 and did not have any recommendations directed to it.

The VMIA was not part of our 2021 audit. However, we included it in this review because it is the government's insurer and risk adviser. It manages and resolves insurance claims made by government departments, agencies and organisations, which include COVID-19 related claims.

In this review we focused on addressing the key themes underpinning our 3 lines of inquiry, particularly:

- financial reporting
- grants management
- procurement.

We looked at how departments have implemented the action plans they agreed to in response to our earlier audits. We did not report on each individual department's action plan items, which you can find in Appendix E.

Background information

After our 2021 report, DTF started publishing departments' actual spending on COVID-19 related initiatives. However, the department's last update was in 2021–22.

Although most direct costs related to COVID-19 would have been incurred by this time, some departments have had further spending, including on legal fees related to legal challenges to COVID-19 lockdowns.

COVID-19 spending

In March 2020, Victoria's government declared a state of emergency in response to the COVID-19 pandemic. Departments needed to act to buy essential medical supplies and set up support programs. The government's funding initiatives included extra funding for the health system, recovery efforts and grants to support businesses. In October 2022, the government ended its pandemic declaration. Although COVID-19 is still an active disease, in this report, 'COVID-19 spending' refers specifically to the direct costs linked to the pandemic response and excludes the ongoing costs to the regular health system of endemic COVID-19.

Pandemic impacts on financial positions

The pandemic has also continued to impact on departments' financial positions. This includes departments revaluing or writing off their personal protective equipment (PPE), recording some fraudulent/ineligible COVID-19 grant payments as ex gratia payments, and legal fees.

Ex gratia payment

An ex gratia payment is money or another benefit given voluntarily when there is no obligation to do so. For example, a department choosing to write off a debt because of special circumstances is an ex gratia payment.

Departments have disclosed some of this information in their annual reports. For example, DH's annual reports have reported write-downs of its PPE inventory of:

- \$113.5 million in 2025
- \$135.3 million in 2024
- \$522.4 million in 2023.

DJSIR's 2024–25 annual report noted \$75.4 million in ex gratia payments – made up of COVID-19 and flood grants that were paid in error.

Our *Auditor-General's Report on the Annual Financial Report of the State of Victoria: 2024–25* noted that DJSIR has recognised a total of \$72.5 million in COVID-19 grants as ex gratia payments from 2020–21 to 2024–25.

However, there is no publicly accessible way of identifying and aggregating this information to get a clear picture of the ongoing financial impact of the pandemic on government finances.

Responses to our 2021 recommendations

Departments accepted all recommendations from our 2021 report in full, in part or in principle.

Our review *Responses to Performance Engagement Recommendations: Annual Status Update 2025* notes that DJCS no longer accepts our recommendations to:

- set up a working party to manage surplus PPE (recommendation 8)
- review its COVID-19 grants programs (recommendation 11).

All other departments told us they had fully implemented their action plans by December 2023.

What we found

This section focuses on our key findings, which fall into 3 areas:

1. Departments have spent at least \$39.8 billion on COVID-19 related initiatives, but there is no transparent, easily accessible reporting on pandemic spending across the whole government.
2. DJSIR has lost at least \$72.5 million in COVID-19 grants it paid incorrectly because of poor grants design and management, though it and other departments have improved their grants processes since.
3. Departments have improved their processes for procurement during an emergency, but their definitions of consultants, contractors and secondees remain inconsistent and current reporting obligations may limit transparency.

The full list of recommendations from our 2021 report, including action plans, is available in Appendix D.

Consultation with agencies

When reaching our conclusions, we consulted with the reviewed agencies and considered their views.

You can read their full responses in Appendix A.

Key finding 1: Departments have spent at least \$39.8 billion on COVID-19 related initiatives, but there is no transparent, easily accessible reporting on pandemic spending across the whole government

The government has spent at least \$39.8 billion on costs related to COVID-19. But this information is not easily accessible because there is no consolidated, whole-of-government reporting of COVID-19 spending.

Our 2021 report recommended that DTF track and publish cross-departmental pandemic initiatives. However, DTF only published consolidated government reporting on pandemic spending from 2019–20 to 2021–22.

This was contrary to the intent of our original recommendation in the 2021 report to collect and publish ongoing whole-of-government pandemic spending. DTF has not collected and published this information since 2021–22.

DTF told us that pandemic spending had reduced significantly after 2021–22 and after this point, COVID-19 expenditure did not require specific public reporting. DTF also told us the public reporting came with an administrative cost, and it decided that departments would only report COVID-19 spending as part of their business-as-usual arrangements.

We found that departments have spent at least \$39.8 billion on COVID-19 related initiatives, including:

- at least \$12.1 billion on COVID-19 grants
- at least \$252.2 million on COVID-19 related legal expenses.

We also found departments have not reported the full extent and value of obsolescent and written off COVID-19 inventory.

Key finding 2: DJSIR has lost at least \$72.5 million in COVID-19 grants it paid incorrectly because of poor grants design and management, though it and other departments have improved their grants processes since

DJSIR (then the Department of Jobs, Precincts and Regions) managed most of the government's \$12.1 billion COVID-19 grants programs. Our 2021 report found control weaknesses in DJSIR's implementation of large grant programs. We noted that DJSIR had to manage grants at speed, at a time when it did not have an overarching grants management framework in place for large-scale grant programs.

In 2024, DJSIR estimated that \$397.0 million of the \$6.2 billion paid under its 3 main grant programs were made to high-risk and potentially ineligible recipients. This included:

- \$184.0 million that DJSIR investigated and concluded that \$64.9 million of these grants were paid to ineligible recipients
- \$213.0 million that DJSIR told the government it would not further investigate because it would require a case-by-case audit to establish eligibility. DJSIR advised that there was no clear evidence these recipients were ineligible. Given the high administration costs, likely low rates of returned grant funds, strict time limits and policy complexities, further investigation was not recommended.

In 2025, DJSIR changed its position and advised the government that it now believed the second group of high-risk grants, which had grown to about \$249.0 million, had a high probability of being eligible. DJSIR based this on its own reviews and by corroborating data with other agencies. But we found that its audit sample sizes were small and potentially biased. DJSIR reiterated that the high administrative cost of a case-by-case audit would unlikely be matched by recovered grant funds.

DJSIR's business support grants had vague and poorly set out eligibility requirements, especially for direct costs for sole traders, which created challenges when it determined whether to pursue recovery.

DJSIR later established an overarching grants management framework for large-scale grants management. By 30 June 2025, DJSIR had written off \$72.5 million of the paid grants as unrecoverable and recognised them as ex gratia payments.

We found that:

- DJSIR has not fully resolved the financial impact of ineligible COVID-19 grant payments across its grant programs
- departments have updated their grants management guidance.

In October 2026, the Independent Broad-based Anti-corruption Commission (IBAC) tabled its report on Operation Harmonia. IBAC's report related to the conduct of senior officials at DJPR (now DJSIR) managing COVID-19 business support programs. Section 3 of this report also covers DJSIR's management of COVID-19 grants, in line with the scope set out in Appendix C.

See the IBAC and Parliament of Victoria websites for the Operation Harmonia report.

Key finding 3: Departments have improved their processes for procurement during an emergency, but their definitions of consultants, contractors and secondees remain inconsistent and current reporting obligations may limit transparency

Departments have now set clear roles and responsibilities for PPE procurement in preparation for future emergencies. A 2024 whole-of-government PPE procurement operating guide directs that, in emergency response situations, HealthShare Victoria will manage PPE procurement and inventory for all departments. It also outlines roles and responsibilities for health and non-health agencies in business-as-usual circumstances. This reduces the risk that departments may compete for stock in a future crisis.

We also found that DPC and DTF have updated whole-of-government guidance around procuring professional services in emergency situations. But lack of clarity in the definitions of contractors, consultants and secondees means there is a risk that some departments' reporting of expenditure on consultants may be incomplete under current reporting requirements.

We found that:

- departments' roles and responsibilities for procurement in a new crisis are now clearly defined
 - departments have improved guidance for procuring contractors, but reporting on costs is still not fully transparent.
-

2.

The total cost of COVID-19

Since the start of the pandemic, departments have spent at least \$39.8 billion on COVID-19 related initiatives. But Parliament and the public cannot easily get a full picture of the ongoing costs because consolidated whole-of-government reporting stopped after 2021–22.

COVID-19 has continued to affect departments financially. This includes losses incurred from grants paid to ineligible recipients, legal costs, and the value of PPE and cleaning supplies that expired, became obsolete or were written off. Although departments record some of these costs in their internal and annual reporting, this does not give a complete or accessible picture of the pandemic's ongoing financial impact.

Covered in this section:

- There is no easily accessible information on whole-of-government pandemic spending because DTF has stopped reporting on it
- Departments have spent at least \$39.8 billion on pandemic related initiatives
- Departments provided \$12.1 billion in COVID-19 grants, up to \$397.0 million of which were paid to high-risk and potentially ineligible recipients
- Departments have not reported the full extent and value of obsolete and written off COVID-19 inventory

There is no easily accessible information on whole-of-government pandemic spending because DTF has stopped reporting on it

Our 2021 audit findings about COVID-19 spend reporting

Our 2021 audit found that while departments recorded and tracked COVID-19 related spending, there was no central oversight or reporting of cross-department COVID-19 initiatives. As a result, pandemic spending for the whole government was not visible or easy to access.

We recommended that DTF publicly report on the costs directly attributable to the COVID-19 pandemic for 2021–22 and for any future years that may apply. DTF accepted this recommendation.

Whole-of-government reporting stopped after 2021–22

In line with our recommendation, DTF collected and published consolidated reporting on government COVID-19 spending from 2019–20 to 2021–22.

However, DTF stopped doing this after its 2021–22 report. Internal DTF correspondence shows that the department interpreted our recommendation as only requiring it to collect and publish

COVID-19 reporting until 2021–22. DTF reported cumulative COVID-19 spending of \$36.8 billion between 2019–20 and 2021–22 before it stopped publishing these reports. We estimate departments spent a further \$3.0 billion by the end of 2025–26, bringing total COVID-19 spending to \$39.8 billion.

DTF told us that it stopped the whole-of-government reporting after 2021–22 because:

- COVID-19 spending had fallen significantly and DTF did not consider it material enough to warrant specific public reporting
- the public reporting came with an administrative cost.

DTF decided that departments would only report COVID-19 spending as part of their business-as-usual arrangements.

Current lack of transparency

DTF's interpretation of our recommendation was inconsistent with its intent. Our report said that reporting should continue for any future years that may apply. In its action plan, DTF committed to reviewing the relevance of reporting for future years as conditions evolved.

DTF reported pandemic expenditure only up to 2021–22, even though the Victorian Government's COVID-19 pandemic declaration continued into 2022–23. At a minimum, DTF should have extended its reporting to include the 2022–23 financial year.

By only reporting direct COVID-19 spending up to 2021–22, DTF has limited Parliament and the public's ability to access information on the ongoing financial impacts of COVID-19 in an easy and transparent manner.

Departments have spent at least \$39.8 billion on pandemic related initiatives

Our approach to understanding COVID-19 spend

During this review, we have sought information from departments about how much they spent in total on pandemic initiatives from 2019–20 to 2025–26.

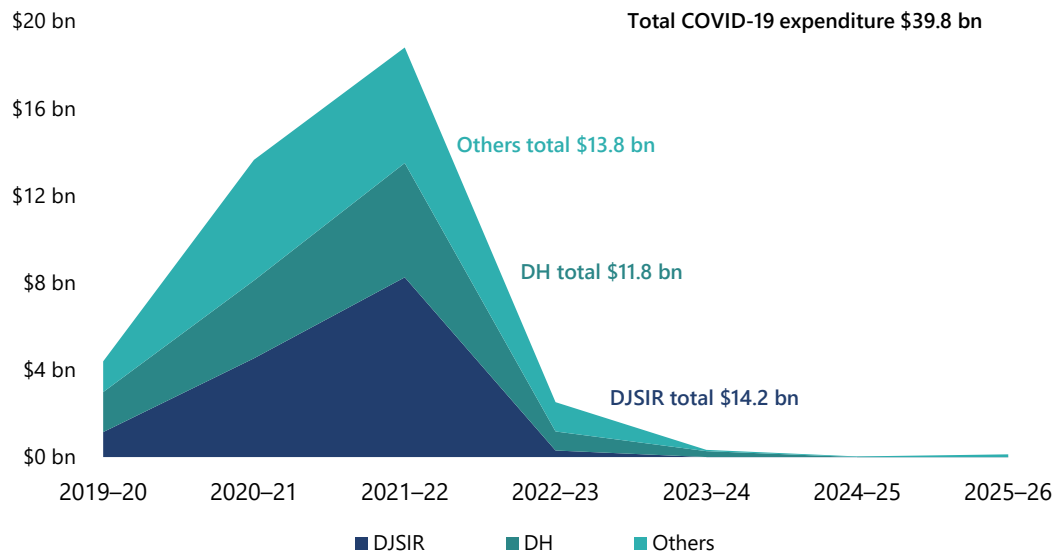
Because this is a limited assurance review, we have relied on departments' evidence and assertions instead of trying to verify all the information we received. This means we may not have a complete figure for departments' total COVID-19 spend.

However, this approach does allow us to identify an approximate total cost, which we consider likely to be on the lower limit of COVID-19 related spending.

Total spend on COVID-19 related initiatives

We found that from 2019–20 to May 2026, departments have spent at least \$39.8 billion on COVID-19 related initiatives, as Figure 1 shows.

Figure 1: COVID-19 expenditure from 2019–20 to 2025–26



Note: The data in this graph may not be complete as we have relied on evidence provided by departments.
Source: VAGO, based on department reports.

In 2023–24 and 2024–25, the government raised \$4.3 billion as COVID-19 specific revenue from COVID-19 payroll and landholdings levies. The government planned to use these amounts to offset the cost of servicing its pandemic-related debt.

COVID-19 related legal costs

Victorian government departments and VMIA have spent at least \$252.2 million on COVID-19 related legal costs and insurance claims.

Legal costs incurred by departments span a variety of issues, including:

- the Hotel Quarantine Inquiry
- class action lawsuits
- settlements
- legal advice.

All departments are tracking COVID-19 related costs as part of their usual processing. But no departments publicly report on legal costs that specifically relate to COVID-19.

Figure 2: Legal costs, settlements and insurance claims

Agency	Total cost (\$ million)
VMIA – legal costs	71.4
VMIA – other COVID-19 related insurance claims	13.6
DE	0.1
DEECA	0.0
DFFH	1.9
DH	27.4
DJCS	134.4
DJSIR	1.6
DPC	1.1
DTF	0.0
DTP	0.7
Total	252.2

Note: This data may not be complete. VMIA insurance costs do not include medical indemnity insurance claims.
Source: VAGO, based on department and VMIA reports.

Departments provided \$12.1 billion in COVID-19 grants, up to \$397.0 million of which went to high-risk and potentially ineligible recipients

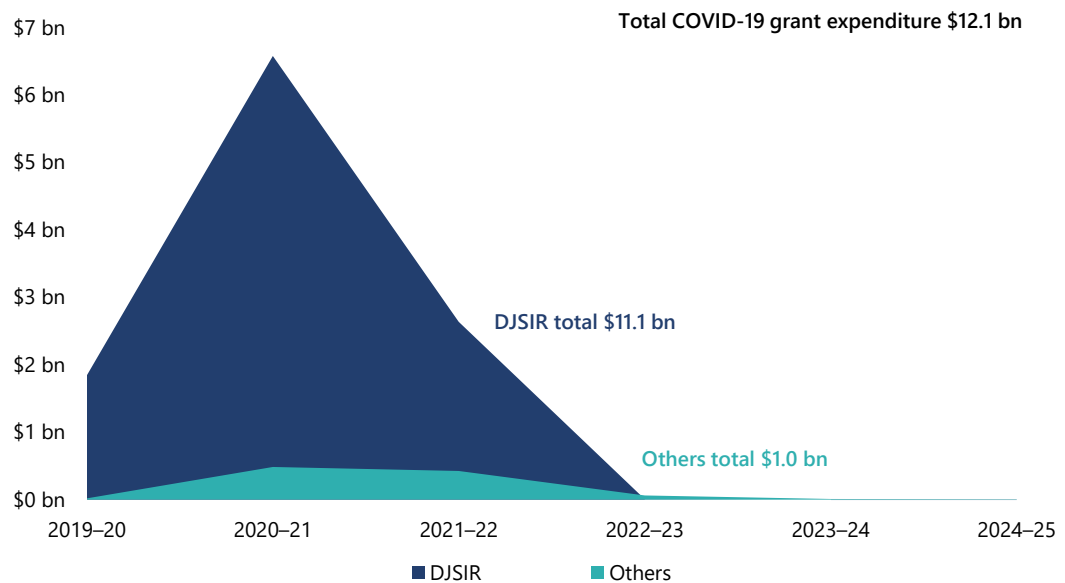
COVID-19 grants Between 2019–20 and 2025–26, departments gave out \$12.1 billion in COVID-19 grants. DJSIR managed most (\$11.1 billion) of these grants.

Departments individually reported their total grant spend in their annual reports, as required by government's FRD 22 *Standard disclosures in the Report of Operations*. But this reporting is not detailed enough to highlight COVID-19 grants specifically.

The government does not publish consolidated whole-of-government reporting on COVID-19 grants paid.

Figure 3 shows the cumulative COVID-19 grant spend by departments since 2019–20.

Figure 3: COVID-19 grant expenditure from 2019–20 to 2024–25



Note: The data in this graph may not be complete.
Source: VAGO, based on department reports.

Fraud and error in COVID-19 grants

In 2024, DJSIR estimated that it may have paid about \$397.0 million in COVID-19 grants to high-risk grant recipients. This was out of \$6.2 billion paid under its 3 main COVID-19 business support grant programs. DJSIR has since revised down what it believes to be ineligible payments. By 30 June 2025 it had written off \$72.5 million of grants as ex gratia payments, which included \$64.9 million paid to ineligible grant recipients.

We discuss grant management further in the next section.

Departments have not reported the full extent and value of obsolete and written off COVID-19 materials

Inventory and supplies

Under the accounting standards, departments count and report on the materials they use in different ways.

‘Inventories’ are assets that an entity plans to sell, or that they use in delivering services.

‘Supplies’ are materials for daily operations that are not planned for sale or used in a production process.

These definitions are important because they direct how to record and account for these materials in financial records.

Accounting for COVID-19 supplies

Since the pandemic started, departments acquired, held and used large numbers of COVID-19 materials, including:

- PPE
- sanitisers
- rapid antigen test kits.

Eight of the 10 government departments did not recognise these materials as an inventory asset but accounted for them as regular supplies that were likely to be used up in the year they were purchased. The departments therefore did not record if these supplies were used, damaged, expired or discarded because they were obsolete.

It is acceptable for departments to do this under the accounting standards because the COVID-19 materials were not meant for sale or consumption in production or directly in the delivery of services.

But this means that it is impossible to identify and report on the cost or extent to which COVID-19 supplies were used or discarded after expiry, damage or obsolescence.

Departments that adopted this approach were DEECA, DFFH, DGS, DJCS, DJSIR, DTP, DPC and DTF. DH and DE adopted a different accounting treatment as they held COVID-19 inventories to use in the ordinary course of providing their services.

COVID-19 inventory write-offs

DH held large stockpiles of COVID-19 inventories to use in public health agencies and distribute to other departments and not-for-profit organisations across Victoria.

Write-down

A 'write-down' is when an organisation reduces the value of an asset in its financial records because the asset is worth less. The loss of value could be due to damage or obsolescence.

Write-offs

A 'write-off' is when an organisation removes an asset from its financial records because the asset has lost all value.

Between 2020–21 and 2025–26, DH has written down \$777.2 million worth of COVID-19 inventories, as Figure 4 shows.

Figure 4: DH inventory write-downs

Department	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	Total
DH	-	\$5.7m	\$522.4m	\$135.3m	\$113.5m	\$0.3m	\$777.2m

Source: VAGO, based on DH's annual reports.

DH has reported these write-downs in its annual reports as an expense, in line with the requirements of AASB 102 *Inventories*.

DH attributed the write-downs to loss of value due to expiration, obsolescence, no longer matching existing technologies, and losing the ability to be used or no longer functioning the same way as when it was first acquired.

DE has also told us it wrote off \$370,000 worth of COVID-19 inventories that had expired.

In total, between 2021–22 and 2025–26, DH and DE wrote down or wrote off \$777.6 million worth of COVID-19 inventories.

Inventories distributed free of charge

Between 2020 and 2025, DH also provided \$1.4 billion of COVID-19 inventories, such as PPE and rapid antigen tests, free of charge to other departments, government agencies including health services and other non-profit organisations to use, as Figure 5 shows.

The departments that received these materials did not record them as inventory and would not have recorded subsequent write-downs of unused and impaired material.

It is not clear how departments subsequently managed COVID-19 inventory due to the accounting treatment they adopted. It is impossible to tell how much of those stocks later expired, became obsolete or unfit for use.

Figure 5: COVID-19 inventory distributed free of charge by DH

Description	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	Total
Value	\$294.6m	\$705.5m	\$305.9m	\$35.8m	\$15.0m	\$7.5m	\$1,364.3m

Source: VAGO, based on DH's annual reports.

3.

Managing grants

DJSIR managed most COVID-19 related grants. It informed the government that, of the \$6.2 billion paid for its 3 main grant programs, up to \$397.0 million was paid to high-risk, and potentially ineligible recipients.

By 30 June 2025, DJSIR had written off \$72.5 million of grant payments it made incorrectly and deemed as unrecoverable. Additional payments, approximately \$6.4 million, may also be written off in future years.

In 2024 DJSIR briefed the government on an estimated \$213.0 million of the high-risk grant payments. It now believes most of these recipients could demonstrate some form of eligibility and will not seek to recover these funds. DJSIR decided not to confirm eligibility for these grants on a case-by-case because it judged the audit process would be too time-consuming, costly and there was a low likelihood of recovery.

DJSIR has reviewed its other COVID-19 programs and improved its grants management framework since the pandemic. But it has not tried to recover all ineligible payments.

All departments have improved their grants management frameworks since the pandemic.

Covered in this section:

- DJSIR has not fully resolved the financial impact of ineligible COVID-19 grant payments across its grant programs
- Departments have improved grants management guidance

DJSIR has not fully resolved the financial impact of ineligible COVID-19 grant payments across its grant programs

Our 2021 audit findings about grant process risks

Our 2021 audit found that not all departments identified and managed the risks of the COVID-19 grant programs or had effective controls to prevent fraud. Some departments did not have processes in place to manage conflicts of interest in grants administration.

To address these risks, we recommended all departments:

- review and revise internal grants guidance material to align with *Better Grants by Design: A guide to best practice grant program investment, design, management and administration for the Victorian public sector* (Better Grants by Design)
- review their COVID-19 grants programs and identify gaps in their controls that lead to risks of fraud, corruption or waste.

The 2021 audit also highlighted key control weaknesses in how DJSIR implemented large grant programs. This included DJSIR having no governance framework that clearly defined assessments and payment processes. We recommended DJSIR develop a governance framework for administering large grant programs, including guidance on implementing effective fraud controls.

Grant risks to DJSIR

In our *Auditor-General's Report on the Annual Financial Report of the State of Victoria: 2022–23* we highlighted that 2 COVID-19 business support grant programs had risk of significant fraud and error:

- the Business Costs Assistance Program
- the Licensed Hospitality Venue Fund.

The then Department of Jobs, Precincts and Regions reported suspected fraud and losses to the Minister for Industry Support and Recovery, as required by the *Standing Directions 2018 under the Financial Management Act 1994*.

To address this, we recommended DJSIR appoint an independent evaluator to assess and report on the effectiveness of these 2 grant programs and whether they achieved value for money.

Grant eligibility requirements

DJSIR's grant eligibility requirements for these business support grant programs were vague and poorly structured. Under the guidelines, applicants had low thresholds to eligibility. This meant that recipients who were a Victorian registered business (or sole trader), in an eligible industry, registered for GST and could demonstrate some direct costs resulting from COVID-19 restrictions, were considered eligible. This applied to some businesses that backdated their GST registrations just to meet grant requirements.

The vague eligibility requirements created challenges for DJSIR as it determined whether to pursue recovery. It also made it difficult to attempt to clarify requirements retrospectively, undertake case-by-case reviews or try grant recovery as there was a high risk of disputes.

Independent grants evaluations

DJSIR engaged 2 external consultants to:

- report on the effectiveness and value for money of the 2 grant programs
- analyse grant eligibility and acquittals over a sample of grant recipients
- provide recommendations for future programs.

DJSIR has actioned the 3 recommendations that arose from one of the independent evaluations. It updated its grant management framework for both business-as-usual and emergency management grants.

DJSIR’s initial quantification of loss due to fraud and error

DJSIR’s external consultants and its own reviews confirmed that some COVID-19 grants were paid to ineligible recipients.

In September 2024, DJSIR briefed the Minister for Jobs and Industry that, of the \$6.2 billion in grants paid under its 3 main grant programs, it estimated that \$397 million may have been paid to high-risk and ineligible recipients. It recommended the government to commence the first recovery campaign and not conduct a case-by-case audit of an estimated 6,000 recipients due to high administration costs, potential low rate of recovery, strict time limits and policy complexities.

DJSIR's initial analysis estimated that it had paid grants to ...	This meant ...	and it ...
6,216 recipients that did not meet eligibility criteria.	\$184.0 million was inappropriately paid	initiated a review and recovery campaign, which found that \$64.9 million had definitely been paid to ineligible recipients.
6,000 recipients that had heightened risk, with no clear evidence they were ineligible, and would require a case-by-case review to establish their eligibility.	\$213.0 million was at high risk of having been inappropriately paid	elected not to undertake further review due to high administration costs, potential low recovery rates, time limits and policy complexities. We discuss this group below.

DJSIR decision of grants needing case-by-case review

Since this advice in September 2024, DJSIR has changed its position. In February 2025, DJSIR briefed the Minister for Industry and Advanced Manufacturing that it believed this group – which had increased to 9,105 recipients and a value of at least \$320.0 million – had a high probability of demonstrating eligibility for the grants and it would not pursue recovery efforts.

DJSIR’s evidence to refine its advice to government

DJSIR has told us it used the following evidence to refine its advice to government:

- results of a sample audit of high-risk grant categories to inform design of recovery campaigns
- analysis of high-risk recipients’ eligibility against requirements using data obtained from other government agencies
- eligibility information obtained through an initial recovery campaign as well as learnings on applicant response and engagement.

DJSIR used the small sample audit to inform future steps, including the design of fund recovery campaigns. DJSIR contacted only 2 per cent of 11,621 grants recipients from 3 of its programs, including those who were deemed high-risk. Most recipients contacted did not respond. DJSIR then selected 51 of those responses to complete further testing on eligibility.

During the initial recovery campaign DJSIR gathered information from a subgroup of 521 out of 1,987 recipients who responded to its recovery enquiries. It used this information to inform actions for a larger group of 6,774. The 26 per cent response rate was low in the context of the larger group.

DJSIR’s updated analysis found that it had paid grants to ...	This meant ...	which ...
4,894 recipients that did not meet eligibility criteria.	\$144.0 million was inappropriately paid	reduced by \$40.0 million since the initial analysis.
7,058 recipients that had heightened risk and would require a case-by-case review to establish their eligibility.	\$253.0 million was at high risk of having been inappropriately paid	increased by \$40.0 million since the initial analysis.

DJSIR's rationale for not pursuing further recovery

In May 2025, DJSIR told the Minister for Industry and Advanced Manufacturing that 'the cost to undertake a case-by-case audit is very high with considerable uncertainty of the amount of grant funds that would be recouped to offset the high administration costs' – given that the probability of recipients demonstrating eligibility was high.

DJSIR's briefs to the minister also highlighted that:

- it did not have sufficient time to undertake case-by-case audits as the period in which it could review the grants was coming to an end
 - there was potential risk of damaging the government's reputation with low likelihood of improving recovery rates
 - the recovery would be disproportionately costly and resource-intensive, as the likelihood of recovering additional payments was low.
-

Attempts to recover lost grant funds

Since 2020–21, DJSIR has:

- written off \$72.5 million (as at 30 June 2025) as ex gratia payments across its entire grants program, and an additional \$6.4 million may also be written off in future years
- recovered \$8.3 million in repayments
- agreed to payment plans to recover \$5.3 million.

DJSIR is not planning additional campaigns to recover other money it paid to ineligible recipients. It continues to seek repayment where ineligible recipients have entered payment plans.

Departments have improved grants management guidance

Updates to grants management guidance

Our 2021 audit recommended that departments conduct reviews of their COVID-19 grants programs to identify any gaps in their controls or administrative processes that lead to risks of fraud, corruption or waste. Departments have completed their individual action plans in response to our 2021 recommendations.

Each department has created or updated their grants management guidance since the 2021 audit. All departments updated their documentation between 2024 and 2025, which demonstrates ongoing review of these processes. This included DJSIR, which created an overarching grants compliance framework in 2024 to support other existing policies.

Seven out of 9 departments provided evidence of internal reviews. This, coupled with their updated policies and frameworks, demonstrates improvement in the controls surrounding grants management. DPC and DTF attested that they have reviewed COVID-19 grants programs.

DJSIR's program reviews covered a suite of its COVID-19 grants. From 2021, DJSIR embedded its Integrity team in program governance to review suspicious claims. As part of its controls, DJSIR also used eligibility information obtained in other grant programs to assist in determining claims in later programs.

We note that DTF did not include this recommendation in its action plan, although it accepted the recommendation in our initial 2021 report. DTF told us it was not directly responsible for grant management, with only one grant managed under its portfolio, administered and later reviewed by the State Revenue Office Victoria.

4.

Procurement

Since our 2021 report, departments have improved guidance for emergency procurement.

Victoria has now put in place a clear, whole-of-government policy for procuring and managing PPE. This reduces the risk that the issues we identified in our 2021 report – such as poor coordination, elevated prices and departments competing for scarce stock – will reoccur in future.

Departments have also improved guidance for engaging professional services. However, their definitions of consultants, contractors and secondees remain inconsistent and current reporting requirements may limit the transparency of their professional services spending.

Covered in this section:

- Departments have defined roles and responsibilities for procurement in a new crisis
- Departments have improved guidance for procuring contractors, but reporting on cost is still not fully transparent

Departments have defined roles and responsibilities for procurement in a new crisis

Our 2021 audit findings about procuring PPE

Our 2021 audit found that departments had to rely on unfamiliar suppliers and pay high prices to meet the need for PPE during the COVID-19 pandemic. We noted that Victoria did not have a PPE stockpile because the public health system had a devolved governance model that required individual health services to manage their own equipment supplies.

Non-health agencies were not very familiar with PPE products and had little access to pre-vetted suppliers. Without a central stockpile or a state procurement contract specific to PPE, departments competed for stock.

What we recommended about PPE in 2021

To address these risks, we recommended departments implement recommendations from the Whole of Victorian Government Personal Protective Equipment Review (the McCann review).

This included for:

- DPC to work with all departments to define each agency's roles and responsibilities for purchasing and distributing PPE
- DTF to set up a state procurement contract for PPE
- DPC, DJCS and DJSIR to set up a working party to address surplus stock of PPE.

DJCS did not complete the working party action because the government did not accept the relevant recommendation in the McCann review.

Procurement roles and responsibilities

In 2023, the government approved a solution for PPE procurement for the whole public sector. Departments have created a standard operating guide for procuring PPE during normal operations and in times of crisis.

Under the 2024 Whole of Victorian Government Personal Protective Equipment Procurement standard operating guide, HealthShare Victoria manages PPE procurement and inventory for health agencies during normal, business-as-usual operations. Non-health agencies manage their own PPE procurement and have the option to buy PPE through the Stationery and Workplace Consumables Contract.

In emergency response situations HealthShare Victoria is responsible for managing PPE procurement and inventory for all departments. The operating guide also says that in times of crisis DH and DGS will establish an Interdepartmental Governance Group to provide oversight for surge response preparations. DPC has told us that this arrangement will reduce the risk of competition between departments in procuring PPE in emergency situations.

Departments have improved guidance for procuring contractors, but reporting on cost is still not fully transparent

Our 2021 audit findings about hiring professional services

Our 2021 audit noted that all departments hired professional services firms to prepare advice, deliver projects or provide surge staffing to respond to the pandemic.

Departments had to follow several policies when hiring goods and services, including the:

- DPC guidelines (*Administrative Guidelines on Engaging Professional Services in the Victorian Public Sector*)
- Victorian Government Purchasing Board policy (*Market approach: Goods and services policy*).

However, our 2021 audit found there was no guidance from DPC or the purchasing board clarifying the relationship between these documents.

Under the DPC guidelines, during critical incidents, departments no longer needed secretary approval to hire professional services. However, DPC did not say if departments still need to complete an exemption form in these circumstances, which meant departments were unsure of their obligations.

DFFH and DH also did not report the full cost of using professional services because they hired some through secondment agreements. We have not analysed DH and DFFH spending on professional services through secondment agreements against total reported spending on consultants because this is outside the scope of this review.

What we recommended in 2021

To address these issues, we recommended that all departments review and amend their procurement policies, forms and oversight to ensure they:

- support transparency in emergency procurement processes
- encourage staff to consider value for money and probity
- manage risk of fraud
- clarify definitions of consultant, contractor and secondee.

Our 2023 report *Contractors and Consultants in the Victorian Public Service: Spending* and 2025 report *Contractors and Consultants: Management* also recommended that:

- departments strengthen their review and documentation processes to demonstrate value for money
- DTF update its guidance to departments to clarify definitions of contractors and consultants to enable transparent and consistent reporting across the public sector.

Whole-of-government policy and guidelines

DPC and DTF have now updated policy and guidelines to give departments more clarity about their obligations when they procure professional services in an emergency.

DTF updated the *Governance: Goods and services policy*, which covers emergency procurement. The policy now says that when organisations complete emergency procurement plans they must explain how they will apply the DPC guidelines.

DPC also updated its guidelines to more clearly set out situations when departments can hire professional services ('valid engagement circumstances') and the approval process they need to follow when they do.

If a valid engagement circumstance ...	then the department ...	and must record ...
applies	can use its standard approval process	decisions and the main valid engagement circumstance.
does not apply	needs Secretary approval	approvals and key details.

Definition and treatment of secondees

Not all departments clearly define consultant, contractor and secondee. Without clear definitions, departments may not be fully transparent about how much they use consultants and how much they cost. Only 4 departments (DE, DFFH, DH, and DTP) have definitions for all 3 terms.

DJCS says it follows the definition of internal and external secondment in the Victorian Public Service's *Secondments and Temporary Assignments* policy.

DFFH and DH also define 3 types of secondees and their engagement processes. This example of good practice enables staff to correctly categorise transactions and report on required spending.

They define a ...	as a person seconded ...
Victorian Public Service secondee	within the Victorian Public Service.
professional services secondee	from outside the Victorian Public Service through a specific secondee agreement. This also includes the Professional Advisory Services agreement.
broader public sector secondee or external staff secondee	from the broader public sector, such as a public entity or health service.

Consultant cost reporting may be incomplete

There is no clear whole-of-government guidance on reporting the use of professional services seconded through specific agreements, rather than engaged through a contract.

Under the government's FRD 22 *Standard disclosures in the Report of Operations*, government entities must disclose details of consultants they hire for more than \$10,000 (excluding GST). However, the guidelines do not require departments to report spending on all contractors or professional services engaged as secondees.

Based on the secondee definitions above, departments can procure consultants and contractors as secondees through specific agreements, which are not required to be publicly reported. This means that under current guideline requirements, departments' reporting may not fully capture total spending on professional services.

5.

Appendices

There are 5 appendices covering responses from reviewed departments, information about how we perform our work, and references to the 2021 audit.

Appendix A: Submissions and comments

Appendix B: Abbreviations, acronyms and glossary

Appendix C: Review scope and method

Appendix D: Recommendations made in our 2021 audit

Appendix E: Department action plans in response to our 2021 audit

Appendix A:

Submissions and comments

We have consulted with all 10 departments and the Victorian Managed Insurance Authority, and we considered their views when reaching our review conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to those agencies and asked for their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the relevant agency head.

Responses received

Agency	Page
Department of Education	A-2
Department of Energy, Environment and Climate Action	A-3
Department of Families, Fairness and Housing	A-4
Department of Government Services	A-5
Department of Health	A-6
Department of Jobs, Skills, Industry and Regions	A-7
Department of Premier and Cabinet	A-10
Department of Transport and Planning	A-11
Department of Treasury and Finance	A-12
Victorian Managed Insurance Authority	A-13

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Department of Education

Secretary

2 Treasury Place
East Melbourne Victoria 3002
Telephone +61 3 9637 2000

COR-260911713

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
[REDACTED]

Dear Mr Greaves

Proposed report: Follow-up: Management of spending in response to COVID-19

Thank you for the letter from the Assistant Auditor-General on 22 September 2026 and the opportunity to comment on the proposed report for this limited assurance review.

The department has reviewed the proposed report and has no feedback.

Should your team wish to discuss the department's response, please contact Shamiso Mtenje, Executive Director, Assurance, Knowledge and Executive Services on [REDACTED]
[REDACTED]

Yours sincerely

Dr David Howes PSM
Secretary
6 October 2026

Your details will be dealt with in accordance with the *Public Records Act 1973* and the *Privacy and Data Protection Act 2014*.





Department of Energy, Environment
and Climate Action

PO Box 500, East Melbourne,
Victoria 8002 Australia

SEC-260900823

Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VIC 3000

Via email: [REDACTED]

Dear Andrew

Proposed Report – Follow up: Management of Spending in Response to COVID-19

Thank you for the opportunity for the Department of Energy, Environment and Climate Action (DEECA) to comment on the Victorian Auditor-General's Office's proposed report for the limited assurance review *Follow up: Management of Spending in Response to COVID-19*.

DEECA notes the findings outlined in the report and supports efforts to strengthen transparency, consistency and accountability in expenditure reporting and procurement governance across the Victorian public sector.

I thank your staff for their work on this review and look forward to DEECA's continued constructive engagement with your office.

Yours sincerely

Kate Houghton PSM
Secretary

7/10/2026



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Secretary

Department of Families, Fairness and Housing

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EOB- 260900053
VAGO ref: 35129 27

Peter Graham
Assistant Auditor-General
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VIC 3000

By email: [REDACTED]

Dear Mr Graham

VAGO performance audit: *Follow up of Management of Spending in Response to COVID-19*

Thank you for your letter of 22 September 2026, and for providing the Department of Families, Fairness and Housing (the department) with an opportunity to review and respond to the proposed report for the Follow up: Management of Spending in Response to COVID-19 performance audit.

The department notes the findings specified in the proposed report and has no further feedback.

Yours sincerely

Peta McCammon
Secretary

7/10/2026



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Department of Government Services

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dgs.vic.gov.au

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VIC 3000

By email: [REDACTED]

Dear Auditor-General

FOLLOW UP: MANAGEMENT OF SPENDING IN RESPONSE TO COVID-19 – PROPOSED REPORT

Thank you for your letter dated 22 September 2026, providing the department with the proposed report, *Follow up: Management of Spending in Response to COVID-19*.

I thank you for the opportunity to be engaged throughout this process.

The department has reviewed the proposed report and has no comments.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jo de Morton'.

Jo de Morton
Secretary
07/10/2026



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Secretary

Department of Health

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DX 210081

SCO-260900048

Peter Graham
Assistant Auditor-General
Victorian Auditor-General's Office



Dear Mr Graham

Thank you for your letter of 22 September 2026 providing the Department of Health with an opportunity to review and comment on the proposed report *Follow up: Management of Spending in Response to COVID-19*.

The department notes the findings and has no further comments on the proposed report.

Yours sincerely

Jenny Atta PSM
Secretary
07/10/2026



[OFFICIAL]



Department of Jobs, Skills, Industry and Regions

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Telephone: +61 3 9651 9999

Ref: CSEC-2-26-29352

File:

Mr Peter Graham
Assistant Auditor-General
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VICTORIA 3000

Dear Mr Graham

PROPOSED REPORT – FOLLOW-UP: MANAGEMENT OF SPENDING IN RESPONSE TO COVID-19

Thank you for your letter providing the Proposed Report for the Follow-up of Management of Spending in Response to COVID-19 performance audit.

I acknowledge the work undertaken by the Victorian Auditor-General's Office (VAGO) in examining the administration and oversight of COVID-19 grant programs over several years.

The department has undertaken substantial work since the COVID-19 response period and earlier reviews by VAGO to strengthen its grant frameworks, administration, oversight, and assurance, complete the evaluation of the Business Costs Assistance Program (BCAP) and Licensed Hospitality Venue Fund (LHVF), and review high-risk payments to identify incorrect payments and seek recovery. Much of this work has been completed with regular engagement with your Office.

Program evaluations

In accordance with the recommendation by VAGO in its 2022-23 Report on the Annual Financial Report of the State of Victoria, the department appointed an independent evaluator to assess the effectiveness of BCAP2 and LHVF, which collectively delivered \$6.29 billion in funding to over 175,000 Victorian small and medium sized businesses.

The key evaluation finding was that both programs played an important role in supporting economic stability and providing cashflow to both employing and non-employing businesses during the COVID-19 pandemic. Overall, business survival was supported by these grants and the evaluation found that the programs delivered a net economic benefit compared to the costs of delivering them.

The department continues to integrate key lessons from the evaluation, including improved data sharing arrangements, to enable efficient and effective controls in response to emergency circumstances.



Post payment review and recovery activities

In August 2023, the department commenced a review of all 192,000 BCAP2, BCAP2e and Small Business COVID Hardship Fund (SBCHF) recipients to identify high-risk recipients. Comprehensive analysis of the 12,216 identified high-risk recipients was then conducted to determine whether grants were awarded to ineligible grant recipients. This review included a comprehensive level of data analysis and corroboration of relevant information with other State and Federal agencies and regulators, supplemented by a sample audit that sought to provide additional context and insight.

As an outcome of this review, the high-risk recipients were segmented into 6 groups; 3 groups where the department identified a potential point of ineligibility against program guidelines, and 3 groups where the department could not identify any points of ineligibility.

All grant recipients in the 3 groups where the department identified a potential point of ineligibility against program guidelines were included in a large-scale recovery activity which commenced in November 2024. Recipients were individually contacted, advised of the specific anomalies in their application, and requested to either repay their grant funding, submit evidence of eligibility for review by the department, or apply for financial hardship concessions. In some cases, recipients were referred to Victoria Police or other appropriate bodies for investigation.

On this basis the department does not agree with the statement in the report that it has not sought to recover all ineligible payments; all identified potentially ineligible applicants were included in this recovery activity.

The recovery actions have been conducted in accordance with the department's Standing Directions obligations and have sought to appropriately balance the department's responsibilities to seek refunds with the need to mitigate risks to the wellbeing of participants.

The department carefully weighed whether case-by-case audits could be justified for the 3 groups of high-risk recipients which did not have a demonstrable point of ineligibility. The department did not pursue the case-by-case audits as based on available information it expected a high proportion of these grant recipients would be able to demonstrate program eligibility; in which case the high costs of case-by-case auditing could not be justified. The department also did not include these recipients in its recovery activity as it would have been inappropriate to do so given it could not identify any points of ineligibility.

The department continues to manage repayment plans associated with ineligible recipients. Where the department has been unable to recover funding from ineligible recipients, ex gratia payments have been recorded and disclosed in its financial statements. The department is also maintaining records of ineligible recipients to monitor their involvement in any future grant programs and mitigate risks.

Improving how we design and delivery grants

The department has also taken a broader lens to program improvement, having learnt from the design and delivery of these COVID-19 business support programs. Since the closure of its COVID-19 business support grants, the department has:

- implemented a refreshed and more fit-for-purpose Grants Compliance Framework
- improved design of eligibility criteria to prevent low thresholds of eligibility
- improved digital integration which drastically decreases the probability of an ineligible grant recipient being able to proceed through to submitting an application
- implemented an Emergency Grants Management Framework.

The department also continues to work with key government agencies to obtain greater access to data so that the integrity of future grant programs can be more fulsomely protected.

The department acknowledges VAGO's assessment of and commentary on the review and recovery activities. As noted, we will continue to administer our recovery activity and repayment plans, report on any quantifiable losses and recovered funds, and continue our work to improve program design and delivery.

If you require further information, please contact [REDACTED], Chief Audit Officer – [REDACTED].

Yours sincerely



Matt Carrick
Secretary

Date: 05/10/2026



Department of
Premier and Cabinet

Mr Andrew Greaves
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BSEC-260900533

Dear Auditor-General

I refer to your letter dated 22 September 2026, providing the Department of Premier and Cabinet (DPC) with an opportunity to comment on the proposed report regarding the Follow up: Management of Spending in Response to COVID-19.

DPC appreciates the audit findings and acknowledges the work by your office in conducting this audit. I was pleased to see that departments have made progress responding to the recommendations made in your 2021 report Management of Spending in Response to COVID-19.

While there are no direct recommendations that require a response by DPC, I note your finding that there is no consolidated, whole-of-government reporting of COVID-19 expenditure and following a significant reduction in COVID-19 spending since 2021-22, such expenditure has been managed and reported by departments through established business-as-usual arrangements. Given that COVID-19 expenditure has declined rapidly since 2021-22 and considering the administrative costs of producing additional whole-of-government financial reporting, DPC considers these reporting arrangements to be appropriate. Furthermore, there is currently no newly commissioned COVID-19 expenditure.

I also note your finding that there is no clear whole-of-government guidance on reporting the use of professional services seconded through specific agreements, rather than engaged through a contract. The current guidance in relation to Financial Reporting Direction 22 outlining the definitions of consultants and contractors reflects the experience and input of various stakeholders over many years and provides detailed guidance for departments to be able to disclose consultancies.

Should you require further information in relation to DPC's response, please contact [REDACTED] Chief Procurement Officer, via [REDACTED].

Yours sincerely

Chris Barrett
Secretary
2 / 10 / 2026

Your details will be dealt with in accordance with the *Public Records Act 1973* and the *Privacy and Data Protection Act 2014*. Should you have any queries or wish to gain access to your personal information held by this department please contact our Privacy Officer at the above address.





Department of Transport and Planning

GPO Box 2392
Melbourne, Victoria 3001 Australia

Ref: BSEC-1-26-4480

Mr Andrew Greaves
Auditor-General of Victoria
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VIC 3000

Dear Mr Greaves

Victorian Auditor-General's Office - Follow up: Management of spending in response to COVID-19 - Proposed report

Thank you for your letter of 22 September 2026 enclosing the proposed report (the Report) for the *Follow up: Management of spending in response to COVID-19* limited assurance review.

On behalf of the Department of Transport and Planning (the Department), I welcome the Report's recognition of the improvements the Department has made since the 2021 audit and note the Report's findings on the broader performance of the other audited agencies.

The Department has fully implemented the actions it committed to in response to the original recommendations. The absence of any findings regarding the Department's performance, together with the Report's recognition that the Department is one of only four audited agencies to have fully addressed the recommendation to provide clear definitions in procurement policies and guidance, reflect the Department's commitment to continuous improvement.

The Department will continue to transparently report spending, manage grants and procure professional services in compliance with the Department of Treasury and Finance's directions and guidance.

Thank you for the opportunity to comment on the Report.

Yours sincerely

Fiona Adamson
Department Secretary

06 October 2026





Department of Treasury and Finance

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CSEC-260900288

Mr Andrew Greaves
Auditor-General
Level 31
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Dear Auditor-General

PROPOSED REPORT – FOLLOW UP: MANAGEMENT OF SPENDING IN RESPONSE TO COVID-19 REVIEW

Thank you for your correspondence on 22 September 2026, providing the Victorian Auditor-General's Office (VAGO) proposed report – *Follow-up: Management of spending in response to COVID-19*, and VAGO's response to DTF's feedback on the provisional report.

DTF notes the three key findings outlined in the proposed report and is generally supportive of key findings 2 and 3. DTF is committed to whole-of-government reporting that supports transparency for the community and Parliament, and to the full implementation of agreed VAGO recommendations.

In relation to key finding 1, whilst DTF acknowledges VAGO's view that reporting should have extended beyond 2021–22, DTF's view remains that the 2021 recommendation relating to public reporting of whole-of-government COVID-19 expenditure was appropriately implemented. As the proposed report notes, DTF committed to reviewing the need for future reporting as conditions evolved and, as COVID-19 expenditure became significantly less material in the context of overall government operations and administrative costs remained, considered it more appropriate to address this reporting through usual departmental reporting processes.

DTF notes the amendments included in the proposed report acknowledging DTF's action relating to the recommendation to undertake a review of its sole COVID-19 grants program, which was an Australian Government program administered by the State Revenue Office.

Thank you for the opportunity to engage throughout this process.

Yours sincerely

Camille Kingston
Secretary
8 October 2026



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5 October 2026

Mr Andrew Greaves
Auditor-General
Level 31
35 Collins Street
Melbourne VIC 3000

Dear Auditor-General

Re: Proposed report – Follow up: Management of Spending in Response to COVID-19

Thank you for the opportunity to provide comments on the proposed report.

Your report notes (*Figure 2*) that VMIA spent \$85.0 million on COVID-19 insurance claims, of which \$71.4 million is listed as “legal costs”, which includes settlements.

VMIA paid these legal costs solely in relation to claims made by VMIA's clients under insurance policies issued by VMIA, and all payments were made in accordance with the terms and conditions of these policies.

I note that these costs are measured on a gross claims paid basis at your office's request. VMIA reports, each year in our Annual Report, on gross claims paid across all policies along with gross claims incurred and net claims incurred.

I note there are no findings in the report for VMIA and I thank your team for the engagement with the VMIA team throughout the work on this audit.

Yours sincerely

A handwritten signature in blue ink that reads 'Helen Silver'.

Helen Silver

Chairperson

CC: [REDACTED], Chief Executive Officer

CC: [REDACTED], Head of Corporate Affairs

CC: [REDACTED], Financial Controller.

VMIA is the Victorian
Government's insurer
and risk adviser

Level 10 South
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ABN 39 682 497 841

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Insurance Authority



Victorian Managed Insurance Authority (VMIA) acknowledges the Traditional Custodians of the land on which we do business, and we pay our respects to Elders past and present. We acknowledge the important contribution that Aboriginal and Torres Strait Islander peoples make in creating a thriving Victoria.

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Appendix B:

Abbreviations, acronyms and glossary

Abbreviations We use the following abbreviations in this report:

Abbreviation	Full spelling
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Better Grants by Design	<i>Better Grants by Design: A guide to best practice grant program investment, design, management and administration for the Victorian public sector</i>
-------------------------	--

the McCann review	Whole of Victorian Government Personal Protective Equipment Review
-------------------	--

Acronyms We use the following acronyms in this report:

Acronym	Full spelling
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DE	Department of Education
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DEECA	Department of Energy, Environment and Climate Action
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DFFH	Department of Families, Fairness and Housing
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DGS	Department of Government Services
-----	-----------------------------------

DH	Department of Health
----	----------------------

DJCS	Department of Justice and Community Safety
------	--

DJSIR	Department of Jobs, Skills, Industry and Regions
-------	--

DPC	Department of Premier and Cabinet
-----	-----------------------------------

DTF	Department of Treasury and Finance
-----	------------------------------------

DTP	Department of Transport and Planning
-----	--------------------------------------

PPE	personal protective equipment
-----	-------------------------------

VAGO	Victorian Auditor-General's Office
------	------------------------------------

VMIA	Victorian Managed Insurance Authority
------	---------------------------------------

Glossary

The following terms are included in or relevant to this report:

Term	Explanation
Level of assurance	This is a measure of the confidence we have in our conclusions. The quality and quantity of evidence we obtain affects our level of assurance. We design our work programs with the information needs of our report users in mind. We consider if we need to provide them with reasonable assurance or if a lower level of assurance may be appropriate.
Limited assurance	We obtain less assurance when we rely primarily on an agency's representations and other evidence generated by that agency. However, we aim to have enough confidence in our conclusion for it to be meaningful. We call these types of engagements assurance reviews and typically express our opinions in negative terms. For example, 'nothing has come to our attention to indicate there is a problem.' See our assurance services fact sheet for more information.
Reasonable assurance	We achieve reasonable assurance by obtaining and verifying direct evidence from a variety of internal and external sources about an agency's performance. This enables us to draw a conclusion against an objective with a high level of assurance. We call these performance audits. See our assurance services fact sheet for more information.

Appendix C:

Review scope and method

Scope of this review

Who we examined

We examined the following agencies:

Department	Their key responsibilities in managing COVID-19
Department of Education	Managing and reporting COVID-19 related expenditure within the education portfolio.
Department of Energy, Environment and Climate Action	Managing and reporting COVID-19 related expenditure within the energy, environment and climate action portfolio.
Department of Families, Fairness and Housing	Managing and reporting COVID-19 related expenditure within the families, fairness and housing portfolio.
Department of Justice and Community Safety	Managing and reporting COVID-19 related expenditure within the justice and community safety portfolio.
Department of Transport and Planning	Managing and reporting COVID-19 related expenditure within the transport and planning portfolio.
Department of Government Services	DGS was established after the 2021 audit and did not have recommendations directed to it. For this review, its relevant responsibilities related to managing and reporting any COVID-19 related expenditure within its functions and applying current whole-of-government procurement, grants and financial reporting requirements.
Department of Health	Managing significant PPE and other COVID-19 inventory, distributing supplies to departments and other organisations, recording inventory write-downs.
Department of Jobs, Skills, Industry and Regions	Responsible for administering most of government's COVID-19 business support grants, including large-scale grants programs.
Department of Premier and Cabinet	Responsible for whole-of-government coordination roles, including working with departments on PPE roles and responsibilities, updating whole-of-government professional services guidance, supporting implementation of procurement-related recommendations, and considering whole-of-government data improvements.
Department of Treasury and Finance	Responsible for whole-of-government financial management and reporting, including coordinating and publishing consolidated COVID-19 expenditure reporting, setting up or supporting relevant procurement arrangements such as PPE state purchase contracts, and issuing financial reporting guidance.
Victorian Managed Insurance Authority	Victorian Government's insurer and risk adviser. It manages and resolves insurance claims made by government departments, agencies and organisations, which includes COVID-19 related claims for covered insurance policies.

Our review objective Have agencies implemented key recommendations from our past reports relating to COVID-19 expenditure, while continuing to report on the pandemic's ongoing financial impact?

What we examined We examined the ongoing financial impact of COVID-19 on Victoria, including:

- departments' progress against recommendations from the 2021 audit
- departments' spend on COVID-19 related grants and procurement
- departments' financial reporting against COVID-19 expenditure.

Why we conducted this review Our 2021 report *Management of Spending in Response to COVID-19* found that not all departments effectively managed their spending during COVID-19, leading to waste in some instances. This engagement assesses how departments implemented our recommendations and how they managed and reported COVID-19 related expenditure.

Conducting this review

Assessing performance To form a conclusion against our objective we used the following lines of inquiry and associated evaluation criteria.

Line of inquiry	Criteria
1. Have departments implemented their action plans from our 2021 report <i>Management of Spending in Response to COVID-19</i> ?	1.1 Did the departments complete their individual action plans?
2. Has DJSIR addressed recommendation 7 from our <i>Auditor-General's Report on the Annual Financial Report of the State of Victoria 2022–23</i> report, related to its management of grants?	2.1 Did DJSIR appoint an independent evaluator that assessed Business Costs Assistance Program and Licensed Hospitality Venue Fund grants to identify whether value for money was achieved?
3. Are departments transparently reporting the ongoing financial impact of COVID-19?	3.1 Are departments reporting on COVID-19 related costs?
	3.2 Are departments tracking costs related to legal advice or settlements?
	3.3 Are departments tracking inventory write-downs and write-offs for COVID-19 related items?
	3.4 Are departments monitoring and reporting on COVID-19 related grants?
	3.5 Are departments tracking and taking steps to recover grant payments made to ineligible applicants?

Our methods

As part of the review, we:

- reviewed department documents and submissions against their action plans
- analysed financial data
- reviewed department attestations
- corroborated information provided by departments with documentary and data sources.

Level of assurance

In an assurance review, we primarily rely on the agency's representations and internally generated information to form our conclusions. By contrast, in a performance audit, we typically gather evidence from an array of internal and external sources, which we analyse and substantiate using various methods. Therefore, an assurance review obtains a lower level of assurance than a performance audit (meaning we have slightly less confidence in the accuracy of our conclusion).

Compliance

We conducted our review in accordance with the *Audit Act 1994* and ASAE 3500 *Performance Engagements* to obtain limited assurance to provide a basis for our conclusion.

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 \$445,000.
The duration of the review was 7 months from initiation to tabling.

Appendix D:

Recommendations made in our 2021 audit

Figure D1: Recommendations made in our *Management of Spending in Response to COVID-19* audit report

No.	We recommended	
1	All departments	Review and amend their procurement policies to ensure they: • require the chief procurement officer or responsible officer to formally activate and close off the critical incident procurement process • require staff to complete a declaration form for conflicts of interest at the start of each procurement • clearly define secondments, contractors and consultants, and clearly communicate the appropriate engagement process for each type of staff • include accompanying practical guidance that details how staff should use critical incident procurement processes.
2	All departments	Review their critical incident procurement forms to ensure they clearly document: • the reasons for using a critical incident procurement process • how they considered value for money • reasons for using a single quote • that staff have considered any relevant state purchase contract • that staff completed a conflict of interest declaration • the relevant financial approvals.
3	All departments	Regularly review and update their centralised procurement registers to ensure they are as accurate and as up-to-date as possible.
4	Victorian Government Purchasing Board	Revises its <i>Market approach: Goods and services policy</i> to include further guidance on: • when and how departments should activate their critical incident procurement policies • how the policy should be applied when departments are procuring professional services
5	Department of Premier and Cabinet works with the Victorian Public Sector Commission	Revise its whole-of-government guidelines on using professional services to include guidance on how the policy should be applied when a critical incident is declared under the Victorian Government Purchasing Board's <i>Market approach: Goods and services policy</i>.
6	Department of Premier and Cabinet	Works with all departments to implement recommendations from the Whole of Victorian Government Personal Protective Equipment Review to define the roles and responsibilities of each agency in relation to purchasing and distributing personal protective equipment for future needs.
7	Department of Treasury and Finance	Sets up a state purchase contract for personal protective equipment to implement the recommendation from the Whole of Victorian Government Personal Protective Equipment Review.
8	Department of Premier and Cabinet works with Emergency Management Victoria and the Department of Jobs, Skills, Industry and Regions	Set up a working party to address surplus stock of personal protective equipment to implement the recommendation from the Whole of Victorian Government Personal Protective Equipment Review.

No.	We recommended	
9	Department of Health and Department of Families, Fairness and Housing	Clarify the way they define consultants, contractors and secondees, including those hired as part of strategic alliance agreements, to ensure transparent reporting around the total expenditure on professional services.
10	All departments	Review, and as necessary revise, their internal guidance material on grants to ensure it aligns with the requirements in <i>Better Grants by Design: a guide to best practice grant program investment, design, management and administration for the Victorian public sector</i> (Better Grants by Design) for: • departments to identify and manage the risks associated with implementing a grants program • staff involved in assessing grant applications to declare any conflicts of interest.
11	All departments	Conduct reviews of their COVID-19 grants programs to identify any gaps in their controls or administrative processes that lead to risks of fraud, corruption or waste.
12	Department of Jobs, Skills, Industry and Regions	Develops a governance framework for administering large-scale grant programs, including guidance on how to implement effective fraud controls.
13	Department of Treasury and Finance	Publicly reports on the costs directly attributable to the COVID-19 pandemic for 2021–22 and for any future years that may apply.
14	Department of Treasury and Finance	Reviews its process for collecting data on whole-of-government COVID-19 costs and identify ways to ensure that spending for any future significant events is accurately reported to the public in a timely way.
15	All departments	Review ways to align financial systems, policies and business practices that improve consistency, accessibility and accuracy of whole-of-government data, such as the Department of Premier and Cabinet's Common Corporate Platforms project.
16	All departments	Regularly report and monitor their budgets and expenditure for COVID-19 initiatives.
Note: Department of Government Services (DGS) was not established at the time of the 2021 audit and did not have any recommendations directed to it. Source: VAGO, <i>Management of Spending in Response to COVID-19</i>.		

Appendix E:

Department action plans in response to our 2021 audit

Figure E1: Action plans in response to recommendations from the audit

Rec	Action(s)
Department of Education	
1	Review and update Corporate Procurement policies and related documents to require formal activation/close-off of critical incident procurement, conflict-of-interest declarations at the start of each critical incident procurement regardless of value, clear definitions and engagement processes for secondments/contractors/consultants, and practical guidance.
2	Develop a Critical Incident Procurement form and guidelines for staff via the Corporate Procurement Portal, documenting reasons for using the process, value-for-money considerations, reasons for single quote, State Purchase Contract consideration, conflict-of-interest declaration, and financial approvals.
3	The current Ariba system provides the register of all DET goods and services procurements and is updated with each new procurement.
10	Review DET guidance material regarding grants risk management to ensure alignment with Better Grants by Design, specifically for identifying and managing risks associated with implementing grants programs.
11	Update the DET Grants Policy and guidance material to require staff assessing grant applications to declare conflicts of interest.
15	Conduct an internal audit on COVID-19 related grants programs to identify gaps in controls or administrative processes leading to risks of fraud, corruption or waste.
16	Review ways to align financial systems, policies and business practices to improve consistency, accessibility and accuracy of whole-of-government data and consider implementing central agency solutions if appropriate.
Department of Energy, Environment and Climate Action	
1	DELWP will undertake a review of its procurement policies and make amendments where appropriate to clarify formal activation/close-off of critical incident procurement, require conflict-of-interest declarations at the start of procurements, define secondments/contractors/consultants and engagement processes, and provide practical guidance for using critical incident procurement processes.
2	DELWP will review its critical incident procurement form and amend it where appropriate so it documents reasons for using the process, value-for-money assessment, reasons for single quote, consideration of existing contracts/State Purchase Contracts or DELWP panels, conflict-of-interest declaration requirements and financial approvals.
3	DELWP will implement a policy to regularly review and update its Critical Incident Procurement Register. Staff will receive practical guidance about reporting requirements when the CIP policy is activated, and Procurement will regularly review the CIP register to assure accurate reporting of procurement expenditure.
10	Implemented. DELWP guidance has been updated to incorporate Better Grants by Design requirements for identifying and managing risks in grant programs. Grants management system requirements are monitored monthly. DELWP also updated conflict-of-interest guidance and developed a quick reference guide on managing conflicts of interest in assessment processes.
11	DELWP continues to conduct regular internal audit reviews on grants management, including COVID-19 grants programs, to assess fraud, corruption and waste risks.

Rec	Action(s)
15	Implemented. DELWP reviews ways to align financial systems, policies and business practices to improve consistency, accessibility and accuracy of whole-of-government data, and is actively participating in DPC's Common Corporate Platforms program.
16	Implemented. DELWP has implemented arrangements to regularly report and monitor all material COVID-19 initiatives.
Department of Families, Fairness and Housing	
1	The department has amended its critical incident procurement policy to enable the Chief Procurement Officer to activate and close off the critical incident procurement process. Ensure communications on the new conflict-of-interest system reinforce the requirement that staff undertaking a procurement must complete a conflict-of-interest declaration regardless of central procurement team involvement. The CPO will write to the conflict-of-interest policy owner to request the policy reinforce this requirement. The CPO will work with People and Culture to establish engagement rules for contracted secondees and related reporting, and ensure a specific intranet SharePoint page explains rules for engagement of contracted secondees. The CPO will review the existing critical incident procurement policy to confirm the use of CIPP, management of conflicts of interest and monitoring of staff use of procurement policies are reflected in current policy.
2	The CPO will review the existing critical incident procurement policy to confirm that use of CIPP, management of conflicts of interest and monitoring of how staff use procurement policies are reflected in current policy.
3	The CPO will be provided regular reports on the status of procurement under the critical incident procurement policy, including procurements not submitted for inclusion in the central critical incident procurement register.
9	The department will ensure the distinction between consultants, contractors and secondees is clarified and understood across relevant areas of the department.
10	Develop and implement a departmental Grants Management Framework aligned with Better Grants by Design that incorporates improved guidance on grant program risk and conflicts of interest for grants assessors.
11	Identify and review DFFH's COVID-19 grants program/s to identify gaps in controls or administrative processes that lead to risks of fraud, corruption or waste.
15	Continue to review ways to align financial systems, policies and business practices to improve consistency, accessibility and accuracy of whole-of-government data such as DPC's Common Corporate Platforms project.
16	Continue to regularly monitor and report budgets and expenditure for COVID-19 initiatives, including dashboard reporting to track COVID-19 initiatives and corrections/updates to tracking as identified.
Department of Health	
1	The department amended its critical incident procurement policy to enable the CPO to activate and close off the critical incident procurement process. Update Conflict of Interest policy to clarify that staff must complete a conflict-of-interest form for all procurements regardless of central team involvement. Establish engagement rules for contracted secondees and related reporting and ensure these rules are communicated and available on the department's intranet. The CPO will review the existing critical incident procurement policy to confirm current policy reflects use of CIPP, management of conflicts of interest and monitoring of procurement policy use.
2	The CPO will review the existing critical incident procurement policy to confirm it reflects use of CIPP, management of conflicts of interest and monitoring of how staff use procurement policies.
3	The CPO will receive regular reports on procurement under critical incident procurement policy, including identification of procurements not submitted for inclusion in the central critical incident procurement register.
9	Clarify and ensure understanding of the distinction between consultants, contractors and secondees across relevant areas of the department.

Rec	Action(s)
10	Complete the review into how grant programs align with Better Grants by Design for managing risks associated with implementing programs and declarations of conflict of interest.
11	Complete a review of COVID-19 grants programs to ensure strong controls and administrative processes are in place.
15	The department has completed a review of its financial systems, policies and practices to align with whole-of-government data and is partnering with DPC as part of the Common Corporate Platforms project.
16	The department now regularly reports and monitors its budget and expenditure for COVID-19 initiatives.
Department of Justice and Community Safety	
1	Completed. DJCS procurement policies already include the required controls for critical incident procurement activation/closure, conflict declarations, definitions and engagement processes, and practical guidance.
2	Completed. DJCS critical incident procurement forms already document the required information, including reasons, value for money, single quote, relevant State Purchase Contract, conflict-of-interest declaration and financial approvals.
3	Completed. DJCS already regularly reviews and updates its centralised procurement register to ensure it is accurate and up to date.
8	EMV and DJPR will establish a working group including DPC to resolve transfer of surplus Combined Agencies Operations Group PPE stock from Emergency Management Victoria to DJPR.
10	Review internal grants guidance material to ensure alignment with Better Grants by Design requirements for grants program risk management and grant assessor conflicts of interest.
11	Coordinate reviews of any COVID-19 grants programs to identify gaps in controls or administrative processes leading to fraud, corruption or waste risks.
15	Continue participation in the Common Corporate Platforms project to consider solutions that improve accuracy of whole-of-government spend and procurement data and implement changes/align with whole-of-government practice where appropriate and practicable.
16	Completed. DJCS specifically monitors COVID-19 expenditure and maintains dashboards reporting budgets and expenditure for COVID-19 initiatives.
Department of Jobs, Skills, Industry and Regions	
1	Review policy in line with government requirements to ensure critical incident procurement is formally closed off as required; update Conflict of Interest Policy to require declarations at the start of each procurement where practical; note definitions of secondments, contractors and consultants are in DJPR Procurement Policy; develop further critical incident procurement guidance.
2	Review and update Critical Incident Procurement forms accordingly.
3	Review the centralised procurement register bi-annually to ensure it is accurate and up to date.
8	DJPR noted the McCann Review had 19 substantive recommendations and a formal government response was yet to be formalised. DJPR was secretariat for the WoVG non-health PPE Taskforce and Working Group, with monthly reporting on PPE stock, usage and open orders. DJPR supported establishing a working party to address surplus stock.
10	Develop a revised Grants Framework providing detail on operational mechanisms for administering grants, including fit-for-purpose fraud controls, aligned with DTF's Better Grants by Design and focused on enhanced risk management and conflict-of-interest practices.
11	DJPR undertook a comprehensive program health check in 2020 and will continue to review grant program administration to consolidate good practice and identify enhancements, including in risk management and integrity practices. Integrity Services Unit partners with program delivery areas to monitor and act on integrity and fraud risks and issues.

Rec	Action(s)
12	Develop a revised Grants Framework with operational mechanisms for administering grants, including fit-for-purpose fraud controls, aligned with DTF's Better Grants by Design and focused on enhanced risk management and conflict-of-interest practices.
15	Continue to engage with DPC to consider solutions to improve whole-of-government data through common platform initiatives.
16	Continue to regularly report and monitor the budget and expenditure for COVID-19 initiatives.

Department of Premier and Cabinet

1	Update critical incident information on intranet so each incident has a clear start and end date; use communications to inform business areas of extension or closure of critical incident protocols; update Corporate Procurement Team Operations Manual with compliance checklist for Critical Incident requests including Conflict of Interest checks; update Critical Incident Procurement Outcome Document to capture staffing related engagements and engagement process; review critical incident guidance; implement step-by-step workflow for critical incidents on intranet.
2	Critical Incident Procurement Outcome Document form to be reviewed and amended to incorporate recommendations.
3	Ongoing responsibility of the Corporate Procurement Team to maintain and ensure accuracy of data inputted. CPT to ensure all relevant Critical Incident documentation is stored in Content Manager.
5	Work with VPSC to review and revise the whole-of-government Administrative Guidelines on Engaging Professional Services in the Victorian Public Service to include guidance aligned to the revised Market approach: goods and services policy guidance on critical incident procurement policies.
6	Work with departments to establish clear leads on implementation of the WoVG PPE Review; coordinate cross-departmental discussions and advice to Government; support DTF's establishment of a PPE State Purchasing Contract for non-health settings; assist relevant taskforces; and work with departments to report to government on implementation of the McCann Review.
8	Support effective and efficient use of surplus PPE. DJPR, through the WoVG Non-Health PPE Taskforce, is working with departments to dispense surplus stock, engage with EMV to identify and distribute excess CAOG stock, and oversee a review of forward stockpile requirements in early 2022. The CAOG stockpile is not proposed to be formally transferred from EMV to DJPR.
10	DPC updated its Grant Management Framework to apply a risk-based assessment when developing, administering and evaluating grant programs. The source notes most COVID-19 grant payments made by parts of DPC in 2020–21 transferred to DFFH on 1 February 2021.
11	DPC updated its Grant Management Framework to apply risk-based assessment when developing, administering and evaluating grant programmes and included further guidance to mitigate against fraud.
15	DPC will consider ways the Common Corporate Platforms project, in consultation with all departments, can be specified and developed to improve whole-of-government data accuracy and consistency.
16	DPC created specific chart of account segments to use for COVID-19 specific budget and expenditure. COVID-19 reports are included in DPC internal management reports and in DTF COVID-19 quarterly expenditure and forecasting returns.

Department of Treasury and Finance

1	Review and amend policies as recommended by VAGO and publish advice and practical guidance for staff.
2	Review procurement forms to ensure critical incidents clearly document information recommended by VAGO.
3	Continue current practice of maintaining the centralised procurement register to ensure it is accurate and up to date.
4	The Victorian Government Purchasing Board will revise the policy guidance as recommended.
7	DTF developed a business case for a State Purchase Contract panel arrangement following extensive stakeholder consultation.

Rec	Action(s)
13	Publicly report on costs directly attributable to the COVID-19 pandemic for 2021–22. Review the relevance of reporting for future years as public health conditions evolve and service delivery returns to business-as-usual settings.
14	Continue to review processes for collecting data on whole-of-government COVID-19 costs, noting processes may be refined as public health conditions and associated expenditure change. Continue working closely with departments on delivery of high-priority expenditure and reporting arrangements for future significant events.
15	DTF is a member of the WoVG Common Corporate Platforms Governance Board. A strategy and roadmap has been agreed proposing development of common processes and design of a common platform by Quarter 1 2022–23, with DTF proposed for Wave 2 implementation commencing Quarter 1 2023–24 subject to successful Horizon 1 delivery.
16	Review existing finance reports presented to the DTF Board and include a regular update on spend and associated budget in relation to COVID-19 initiatives.

Department of Transport and Planning

1	DoT Procurement will lead a review to establish processes and develop supporting material, including updating the DoT Procurement Policy, to address the recommendation.
2	DoT Procurement will lead a review of processes and update supporting material including the Critical Incident Procurement Form.
3	DoT will lead a review to develop appropriate systems to accurately identify critical incident engagements and address the audit finding on up-to-date and accurate data.
10	DoT has established a working group to develop a Grants Management Framework. The audit findings will be addressed as part of this project.
11	DoT has established a working group to develop a Grants Management Framework. The audit findings will be addressed as part of this project.
15	The department is participating in and contributing to DPC's Common Corporate Platforms project and will review systems to ensure accuracy of data submitted for whole-of-government reporting.
16	Specific codes and processes are being established to support reporting and monitoring of budgets and expenditure for COVID-19 initiatives.

Note: Department of Government Services (DGS) was not established at the time of the 2021 audit and did not have any recommendations directed to it.
Source: VAGO, *Management of Spending in Response to COVID-19*.

Auditor-General's reports tabled in 2026–27

Report title	Tabled
<i>Delivering the Suburban Rail Loop</i> (2026–27: 1)	August 2026
<i>Maintaining State Roads</i> (2026–27: 2)	September 2026
<i>Public Lottery Licence Extension</i> (2026–27: 3)	September 2026
<i>Preventing Youth Crime</i> (2026–27: 4)	September 2026
<i>Managing Victoria's Firefighting Fleet</i> (2026–27: 5)	October 2026
<i>Government Advertising and Communications</i> (2026–27: 6)	October 2026
<i>Follow-up: Management of Spending in Response to COVID-19</i> (2026–27: 7)	October 2026

All reports are available for download in PDF and HTML format on our website at www.audit.vic.gov.au

Our role and contact details

The Auditor-General's role

For information about the Auditor-General's role and VAGO's work, please see our online fact sheet [About VAGO](#).

Our assurance services

Our online fact sheet [Our assurance services](#) details the nature and levels of assurance that we provide to Parliament and public sector agencies through our work program.

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