

Appendix B:

Our audit approach

Our financial audits

We conduct our financial audits in accordance with the *Audit Act 1994* and the Australian Auditing Standards.

For each financial report, we evaluate the ...	and design and perform audit procedures that ...	and form an opinion ...
risks of material misstatement – whether due to fraud or error	respond to these material risks	based on audit evidence that is sufficient and appropriate.
internal controls relevant to the audit	are appropriate in the circumstances	on the appropriateness of using the going-concern basis of accounting.
<ul style="list-style-type: none"> appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures overall presentation, structure and content of the financial report 		on whether the report fairly represents the underlying transactions and events.

Our audit of the AFR

As part of our audit of the AFR, we also obtain:

- evidence about the completeness and accuracy of the financial information of the 31 material entities within the AFR
- an understanding of the consolidation process and evaluate the appropriateness, completeness and accuracy of consolidation adjustments, such as intra-agency and intra-sector eliminations.

Our independence

The Auditor-General is:

- an independent officer of the Parliament of Victoria
- appointed under legislation to examine, on behalf of Parliament and taxpayers, how the public sector manages resources
- not subject to control or direction of either Parliament or the government.

Our ethical obligations

The Auditor-General and VAGO must meet the ethical requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants*
- *Code of Conduct for Victorian Public Sector Employees of Special Bodies*
- *Public Administration Act 2004*
- *Standing Directions 2018 under the Financial Management Act 1994*, which provides policies on accepting and provisioning gifts, benefits and hospitality.

Use of artificial intelligence and safeguards

We used approved artificial intelligence (AI) tools to help prepare this report and the supporting data dashboard (for example, data capture, supporting analysis, research and drafting). These tools were used in a manner consistent with the [Victorian Auditor-General's Office AI Policy](#) and its principles for safe, ethical and responsible AI use. AI outputs were not used without human review, and were checked against source documents or other reliable, authoritative sources.

AI did not replace audit evidence, professional judgement or human oversight of quality assurance. The analysis, conclusions and recommendations in this report were made by VAGO in accordance with established review processes.

We do not enter personal information into non-approved generative AI tools. Where any publicly available tool was used, it was limited to information that was already publicly known or approved for public release. Specific safeguards applied included:

- human review of data captured back to source documentation (that is, audited financial statements and performance statements)
- confirmation of accuracy was sought from all audited agencies regarding their financial and non-financial data that has been used in this report
- re-computation of ratios and key trends identified by AI.

Our costs

The cost of ...	was ...	which is funded by ...
our audit of the AFR	\$511,000	DTF.
our audits of the 31 material entities	Approximately \$12.3 million	audited agencies.
preparing this report and its supporting dashboard	\$460,000	parliamentary appropriation.

We do not provide any non-assurance services to our clients.

Persons or entities named in this report

Unless otherwise indicated, any individuals or third-party providers named in this report are not the subject of adverse comment or opinion.