

Appendix E:

Audit and risk management

Audit and Risk Committee Chair's report for the year ended 30 June 2026

The Auditor-General appoints the ARC to provide independent advice and assist in the discharge of the Auditor-General's responsibilities for:

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

All committee members are independent, non-executive members appointed for a term of 3 years and are eligible for reappointment subject to a formal review of the member's performance by the Auditor-General. All members have appropriate financial and industry expertise and an appropriate understanding of VAGO's operations.

The members of the Audit and Risk Committee for the year ended 30 June 2026 and their attendance at meetings are set out in the table below.

Figure E1: Audit and Risk Committee meetings attendance for the year 30 June 2026

Meeting	Rob Hogarth	John Gavens	Emma Olivier
August 2025	C	M	M
October 2025 (Risk workshop)	C	M	M
October 2025	C	M	M
December 2025	C	M	M
March 2026	C	M	M
May 2026	C	M	M
Total meetings attended	6	6	6

Note: C-Chair, M-Member

Source: VAGO.

The main responsibilities of the Audit and Risk Committee are to:

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

- independently review and assess the effectiveness of VAGO's processes and controls across financial management, performance and sustainability, and risk management
- receive operational and risk management reports periodically, and briefings from the Auditor-General on significant issues affecting VAGO.

During the year, the committee considered:

- management progress on recommendations arising out of the 2024 Independent Performance audit of the Auditor-General and VAGO
- plans, status updates and review reports from the internal auditor, which include management's response to matters raised by internal audit, and progress on management remedial actions
- VAGO's operational management reports, risk management framework, risk appetite and risk register
- the administration and quality control of VAGO's gifts, benefits and hospitality register
- the nature of the Auditor general's expenditure
- policies and procedures in place for the development of VAGO's annual plan and budget, and resource planning and other key policies on a cyclical basis.

At the time of signing this report, the financial and performance statement for the year ended 30 June 2026 had been considered and recommended for adoption by the Auditor-General.

The Audit and Risk Committee has met in camera with the Auditor-General, Deputy Auditor-General, the internal auditors and the external auditors as appropriate.

The internal audit function was provided by Synergy Group.



Rob Hogarth

Chair, Audit and Risk Committee

17 August 2026

Financial Management Compliance Attestation Statement

I, Andrew Greaves, certify that the Victorian Auditor-General's Office has no Material Compliance Deficiency with respect to the applicable *Standing Directions 2018* under the *Financial Management Act 1994* and Instructions.



Andrew Greaves

Auditor-General

Victorian Auditor-General's Office

17 August 2026

Internal audit

Our internal audit function is provided by Synergy Group who this year, completed the following internal audits:

- Cybersecurity review (Zero Trust Framework Identities pillar)
- Financial controls (payroll)
- Strategic budgeting and financial planning
- Human resources management (recruitment, onboarding and offboarding).

The following internal audits commenced during 2025–26 and are in progress:

- Management of audit service providers (ASPs)
- Financial management compliance framework review
- Project management – governance and benefits and realisation
- Project governance benefits and realisation.

All internal audit reports and reviews were provided to the Audit and Risk Committee and the Auditor-General.

Environmental management

The Victorian Auditor-General's Office is classified as a Tier 4 public entity for the purpose of *Financial Reporting Direction 24* (FRD 24) *Reporting of environmental data by government entities*.

FRD 24 acknowledges the significant variation in the size, environmental impact and reporting capability of public sector entities, and establishes a tiered classification framework to guide environmental data reporting requirements.

As such, we are required to report on the following mandatory indicators only:

- EL 1 – Total electricity consumption segmented by source
- EL 4 – Total electricity offsets segmented by offset type
- T2 – Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category
- B3 – NABERS Energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs' electricity consumption.

Figure E2: VAGO's environmental performance for 2024–25 and 2025–26

Indicator	2024–25	2025–26
EL1 – Total electricity consumption segmented by source¹		
Total electricity consumption (MWh)	120.47	122.8
EL 4 – Total electricity offsets segmented by offset type		
	-	-
T2 – Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category²		
	-	-
B3 – NABERS Energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs³		
Base building: 35 Collins Street, Melbourne VIC 3000	3.5 stars	3.5 stars

Note: ¹ The electricity consumed in the above table includes:

- electricity directly consumed by our office (level 31)
- an apportionment of electricity consumed relating to the building common areas, of which VAGO contributes office lease outgoings.

² VAGO do not maintain any fleet vehicles. ³ VAGO leases its current office space of approximately half a floor in Melbourne since 2017 and has not undergone any substantial tenancy fit-outs since 2017. The building received a 3.5 Star NABERS Energy rating, and has remained unchanged from prior year. Source: VAGO.