

Appendix C:

Audit context

Our methods

We conduct our financial audits of the local government sector in accordance with the *Audit Act 1994* and the Australian Auditing Standards. As part of an audit, we:

- identify and assess the risks of material misstatement of a financial report (whether due to fraud or error), design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for an opinion
 - obtain an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures
 - conclude on the appropriateness of using the going-concern basis of accounting
 - evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
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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, the management of resources within the public sector
- not subject to the control or direction of either Parliament or the government.

The Auditor-General and VAGO staff are required to 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*.
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Our costs

The cost of this report and the supporting data dashboard was \$216 000, which is funded by parliamentary appropriation.
