

# Appendix C:

## Our audit approach

### Our method

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

- identify and assess risks of material misstatement (whether due to error or fraud) in financial reports and performance statements
- design and perform audit procedures to respond to those risks
- obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion.

We also:

- investigate internal controls relevant to the audit so we can design appropriate audit procedures for the circumstances
  - evaluate whether the entity's accounting policies are appropriate
  - evaluate whether the accounting estimates and related disclosures included in the financial report are reasonable
  - decide if it is appropriate to use the going-concern basis of accounting
  - evaluate the overall presentation, structure and content of the financial report and performance statement, including its disclosures
  - assess whether the financial report and performance statement represents the underlying transactions and events in a way 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, how the public sector manages resources
  - not subject to control or direction of either Parliament or the government.
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### Our ethical obligations

The Auditor-General and staff of 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*.

We also provided a copy of the report to the Department of Premier and Cabinet.

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### Cost

This report and its supporting dashboard cost \$190,000 and were funded by parliamentary appropriation.

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