



**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

**2015-16 FINANCIAL AND PERFORMANCE OUTCOMES –  
ENTITY-SPECIFIC QUESTIONNAIRE**

**VICTORIAN AUDITOR-GENERAL'S OFFICE**

**Question 1 Previous recommendations**

For each recommendation in the Committee's *Report on the 2013-14 and 2014-15 Financial and Performance Outcomes* (report 5) or *Report on the 2012-13 Financial and Performance Outcomes* (report 119) that relates to an area relevant to the Victorian Auditor-General's Office, please indicate:

- (a) whether or not the action specified in the recommendation has been implemented
- (b) if so, how it has been implemented and what publicly available information (if any) demonstrates the implementation of the recommendation
- (c) if not, why the recommendation has not been implemented, or the intended date of implementation.

Note: recommendations that were not supported by the Government or that have already been determined to be implemented by the Committee have not been included in this list.

Report	Recommendation	Has the action specified in the recommendation been implemented?	If yes:		If no:	
			What action has the Department taken in order to implement the recommendation?	What publicly available information, if any, shows the implementation?	Why not?	When is the intended date of implementation?
5	18 As part of its regular examination of public sector reporting, the Victorian Auditor-General examine whether public sector entities are correctly following guidance from the Department of Treasury and Finance, including guidance in the Model Report, related to public private partnership projects	Yes	<p>VAGO considers DTF guidance on PPPs as relevant to our financial and performance audits.</p> <ul style="list-style-type: none"> <li>VAGO considers compliance by departments with DTF Model Report requirements regarding disclosures on PPPs as part of our annual financial audit.</li> <li>VAGO has previously examined compliance with Partnerships Victoria Requirements for PPPs as part of relevant performance audits. VAGO will continue to examine compliance with DTF guidance in future audits of PPPs.</li> </ul>	<p>Any material non-compliance with DTF model report disclosure requirements leads to a qualified audit opinion on departmental financial reports.</p> <p>Audit opinions are attached to the relevant financial statements which are contained in agency annual reports tabled in Parliament. VAGO also reports to Parliament on the results of financial audits, including discussing all qualifications. There were no qualifications issued on this basis in 2016.</p> <p>Previous examples of VAGO performance audits that considered requirements for PPPs are available at <a href="http://www.audit.vic.gov.au">www.audit.vic.gov.au</a> and include</p> <p><i>Impact of Increased Scrutiny of High Value High Risk Projects (June 2014)</i></p> <p><i>The New Royal Children's Hospital - a public private partnership (May 2009)</i></p> <p><i>Management of Prison Accommodation Using Public Private Partnerships (September 2010)</i></p> <p><i>Operating Water Infrastructure Using Public Private Partnerships (August 2013)</i></p> <p>Planned audits of entities operating PPPs will be outlined in VAGO's 2017-18 Annual Plan, to be tabled in Parliament in June 2017.</p>		

## Question 2 Contractor and consultant costs

Please detail the actual amount that the Department spent on contractors and consultants in 2014-15 and 2015-16. A definition of the difference between consultants and contractors is contained in FRD 22G – Standard Disclosures in the Report of Operations. Please provide figures on the same basis of consolidation for the Department as used in the budget papers.

	2014-15 Actual (\$ million)	2015-16 Actual (\$ million)
Consultants	0.04	0.07
Contractors	10.76	12.38

Please note that the totals above comprise the following amounts disclosed in VAGO's Financial Report for 2015-16

**Consultants** – Comprised of line item “Consultants” in Note 5 (d)- Other Operating Expenses (see <http://www.audit.vic.gov.au/publications/20161012-Annual-Report/20161012-Annual-Report.html#f12>).

**Contractors** – Comprised of

- Line item “Contractors” in Note 5 (d)- Other Operating Expenses (see <http://www.audit.vic.gov.au/publications/20161012-Annual-Report/20161012-Annual-Report.html#f12>)
- Expenses reported in VAGO's Comprehensive Operating Statement under the heading of Contract Audit Services - \$11.89m for 2015-16 and \$10.44m for 2014-15 (see <http://www.audit.vic.gov.au/publications/20161012-Annual-Report/20161012-Annual-Report.html#f3>)