Nexia Australia

Victorian Auditor-General's Office

Audit Completion Report
to the Public Accounts and Estimates Committee
for the year ended 30 June 2025

1 October 2025

The Hon. Sarah Connolly
Chair - Public Accounts and Estimates Committee
Parliament of Victoria
Spring Street
EAST MELBOURNE VIC 3002

Dear Committee Members,

2025 Audit Completion Report (Revised)

We are pleased to present you with our completion report on the audit of Victorian Auditor-General's Office ("VAGO") for the year ended 30 June 2025.

We are responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to the responsibilities in overseeing the financial reporting process. This report includes an analysis of the audit outcomes, key audit risk areas, our conclusion, internal control deficiencies and other recommendations for your attention.

This information is intended solely for the use of those charged with governance and management of the Victorian Auditor-General's Office and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any comments you may have or any additional areas in which you seek comfort or assurance from the audit process. I look forward to the opportunity of discussing the results of the audit.

Yours faithfully
Nexia Melbourne Audit Pty Ltd

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key contacts

Your key contacts for the Victorian Auditor-General's Office audit are:

Andrew Wehrens FCA (Partner) is a registered company auditor with over 40 years as a Chartered Accountant; beginning as an undergraduate and rising through the ranks to become Partner of his own firm, before merging with Nexia Australia - Melbourne Office in January 2013. With a wealth of experience across schools and colleges, charities and not-for-profit organisations, trade unions and philanthropic organisations, Andrew is particularly skilled in evaluating systems, controls and procedures for clients with limited financial backgrounds and can also turn up the tempo for financially savvy clients. Andrew will act as the primary point of contact for any technical accounting issues.

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Greg Kirpichnikov CA (Manager) has over 16 years of experience in providing audit and assurance services to clients. He manages a portfolio of clients across a broad range of industries ranging from small and medium enterprises to international and multinational companies.

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snapshot

Audit Snapshot

Audit results	Outcome
Were significant audit adjustments required	No
Are unadjusted misstatements considered immaterial	Yes
Transactions and balances verified in accordance with audit plan	Yes
Audit risks and exposures addressed	Yes
Any audit risks requiring comment from the Audit and Risk Committee	No
Any high or medium priority control deficiencies identified	No
Any instances of material fraud or error in respect to operations noted	No
Any material uncertainties, conditions or events identified affecting going concern noted	No
Any instances of non-compliance with laws and regulations noted	No
Any instances of non-compliance with policies and procedures noted	No
Any expected modifications to auditor's report	No
Audit process	**Outcome**
Level of preparedness for audit sufficient	Yes
Draft financial report available at agreed date	Yes
All information required supplied in a timely manner	Yes

Audit Results

Audit Opinion

The audit report we issued on the initial financial report dated 13 August 2025 was unmodified, that is a clean audit opinion.

We were required to issue a revised audit report dated 1 October 2025 with an emphasis of matter paragraph to incorporate new and additional information relating to additional disclosure of the final 2024-25 Treasurer's Advance supplementation of $1.427m for VAGO to meet the costs of the Victorian Public Service Enterprise Agreement as part of the 2024-25 year-end process.

Audit Adjustments

Unadjusted Misstatements

Australian Auditing Standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Appendix 1 details the unadjusted misstatements, as identified by the VAGO finance team, during the course of the audit.

Corrected Misstatements

We are to inform those charged with governance and management of material corrected misstatements that were brought to the attention of management as a result of our audit procedures. There are no corrected misstatements to report.

Materiality

Auditing standards require that we apply the concept of materiality in planning and performing an audit of a financial report. Misstatements, including omissions, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users of the financial report.

The determination of materiality is a matter of professional judgement, and is affected by our perception of the financial information needs of users of the financial report.

Having considered the nature of the Victorian Auditor-General's Office, the industry and economic environment in which the Victorian Auditor-General's Office operates and the relative volatility of alternative benchmarks, we have determined overall final materiality of the Victorian Auditor-General's Office's, as follows:

Overall Materiality:	$704,000
Performance Materiality:	$528,000
Clearly Trivial:	$ 35,000

The overall final materiality was not required to be reassessed during our final year-end audit fieldwork.

Summary

Risk area	Preliminary audit risk assessment	Possible risk of misstatement due to	Residual audit risk subsequent to audit procedures
Revenue Recognition	High	▪ There is a rebuttable presumption that revenue fraud risk is high. There is a risk that the Victorian Auditor-General's Office may misrepresent its revenue by recording revenue incorrectly. There is a risk that this can occur by the Victorian Auditor-General's Office deferring revenue or pushing revenue through at year end that should not be attributed to the relevant financial year.	Low
Trade and Other Receivables	Medium	▪ Fictitious revenue is raised to meet revenue targets and stakeholder expectations. ▪ Provision for doubtful debts is an area of estimation uncertainty. ▪ Current difficult economic climate, particular debtors may be experiencing challenging conditions compared to previous years. ▪ Revenue being recorded in the incorrect accounting period.	Low
Property, Plant and Equipment	Low	▪ The fixed assets register not being maintained and agreeing to the general ledger. ▪ Depreciation rates either applied in an inconsistent manner or incorrectly calculated. Useful lives of reported assets being improperly determined. These errors will have an impact on the reported depreciation and amortisation expense and the written down value of property, plant and equipment. ▪ The incorrect classification of transactions between repairs and maintenance and capital expenditure. ▪ The incorrect valuation of property, plant and equipment, including the non-existence of these assets.	Low
Salaries and Wages / Employee Entitlements	Medium	▪ The significant size of salaries and wages and associated on costs. ▪ Policies and procedures relating to employees' salary and wages not being adhered to and the possibility of incorrect and/or unauthorised payments being made to employees. ▪ Incorrect calculation of employees' leave entitlements, including long service leave and annual leave, incorrect hourly pay rates, and the omission of employees from the leave provision schedules. ▪ Payroll clearing account balances at 30 June 2025, including PAYG and superannuation, not being properly reconciled and balances not being offset and / or cleared and / or remitted in a timely manner.	Low
Expenditure / Creditors	Low	▪ Expenses and creditors not being recorded in the correct period and the expenditure has not been authorised in accordance with the Victorian Auditor-General's Office's policies and procedures. ▪ GST not being properly recognised and accounted for. ▪ Unrecorded liabilities.	Low
Work-In-Progress (WIP)	Medium	▪ The WIP balance is an area of estimation uncertainty. ▪ The WIP balance may not be correctly valued at balance date.	Low

Audit Risk: Revenue Recognition

Preliminary Risk Assessment – High

Financial statement area impacted	2025 $ ('000)	2024 $ ('000)
Total Revenue	$58,196	$58,204

Risks identified

- There is a rebuttable presumption that revenue fraud risk is high. There is a risk that the Victorian Auditor-General's Office may misrepresent its revenue by recording revenue incorrectly. There is a risk that this can occur by the Victorian Auditor-General's Office deferring revenue or pushing revenue through at year end that should not be attributed to the relevant financial year.

Audit work performed

Revenue was tested through the following audit procedures:

- We have reviewed and documented the revenue/trade receivables/receipts system to determine whether appropriate controls are in place.
- We have reviewed the revenue recognition policy to determine its appropriateness.
- We have reviewed the annual appropriation for the provision of outputs and the appropriation under s29 of the Financial Management Act 1994 to the Appropriation Bill and the Net Appropriation Agreement with the Department of Treasury and Finance.
- We have verified the special appropriation under s94A(6) of the Constitution Act 1975 to the Statement of Finances extracted from the Victorian Budget 2024/25.
- We have selected a sample of invoices raised for the different Government Agencies / Authorities / Bodies and other organisations audited by the Victorian Auditor-General's Office, verified that the billings and time charges are in accordance with the engagement letter / fee agreement in place and traced the invoice to the receipt on the bank statement.

Results

From our audit procedures performed in respect of Revenue, our review indicated that there were no process and policy issues from a financial reporting perspective.

It is our opinion that the risk of material misstatement has been reduced to an acceptable level.

Final Risk Assessment – Low

Audit Risk: Trade and Other Receivables

Preliminary Risk Assessment – Medium

Financial statement area impacted	2025 $ ('000)	2024 $ ('000)
Trade Receivables	$6,757	$2,049
Provision for Doubtful Debts	$-	$-

Risks identified

- Fictitious revenue is raised to meet budgeted targets and stakeholder expectations.
- Provision for doubtful debts is an area of estimation uncertainty.
- Current difficult economic climate, particular debtors may be experiencing challenging conditions compared to previous years.
- Revenue being recorded in the incorrect accounting period.

Audit work performed

Trade and other receivables were tested through the following audit procedures:

- We tested a sample of debtors to subsequent receipts. Where there have been no debtor receipts subsequent to balance date, we obtained evidence of the occurrence of the revenue transaction by examining supporting documentation (e.g. project summary report, invoice etc).
- We have discussed with management the adequacy of the provision for doubtful debts ($Nil) to determine whether the provision is appropriate.
- We have reviewed the reconciliation of the WIP and discussed with management the assumptions used.
- We will obtain third party confirmation from the Department of Treasury and Finance on the SAU balance.

Results

We believe a $Nil provision for doubtful debts is adequate.

From our audit procedures performed in respect of Trade and Other Receivables, our review indicated that there were no process and policy issues from a financial reporting perspective.

It is our opinion that the risk of material misstatement has been reduced to an acceptable level.

Final Risk Assessment – Low

Audit Risk: Property, Plant and Equipment

Preliminary Risk Assessment – Low

Financial statement area impacted	2025 $ (‘000)	2024 $ (‘000)
Property, Plant and Equipment	$1,667	$2,424
Depreciation Expense	$850	$882

Risks identified

- The fixed assets register not being maintained and agreeing to the general ledger.
- Depreciation rates either applied in an inconsistent manner or incorrectly calculated. Useful lives of reported assets being improperly determined. These errors will have an impact on the reported depreciation and amortisation expense and the written down value of property, plant and equipment.
- The incorrect classification of transactions between repairs and maintenance and capital expenditure.
- The incorrect valuation of property, plant and equipment, including the non-existence of these assets.

Audit work performed

Property plant and equipment was tested through the following audit procedures:

- Obtained from management the fixed assets register at 30 June 2025.
- We have prepared a reconciliation of the fixed assets register to the general ledger control account balances at 30 June 2025.
- Material fixed asset additions in 2024/25 have been agreed to supporting documentation. Appropriateness of the capitalisation of these assets has been considered. Material disposals have also been vouched to supporting documentation and any proceeds traced to bank receipts, including bank statements. The treatment of applicable GST has been reviewed and checked for all addition and disposal transactions tested.
- Reviewed property, plant and equipment in detail and discussed the expected use and useful lives of assets with management.

Results

From our audit procedures performed in respect of Property, Plant and Equipment, our review indicated that there were no process and policy issues from a financial reporting perspective.

It is our opinion that the risk of material misstatement has been reduced to an acceptable level.

Final Risk Assessment – Low

Audit Risk: Salaries and Wages / Employee Benefits

Preliminary Risk Assessment – Medium

Financial statement area impacted	2025 $ ('000)	2024 $ ('000)
Salaries and Wages	$35,771	$33,236
Employee Provisions – Current	$5,462	$5,447
Employee Provisions – Non Current	$949	$672

Risks identified

- The significant size of salaries and wages and associated on costs.
- Policies and procedures relating to employees' salary and wages not being adhered to and the possibility of incorrect and/or unauthorised payments being made to employees.
- Incorrect calculation of employee leave entitlements, including long service leave and annual leave, incorrect hourly pay rates, and the omission of employees from the leave provision schedules.
- Payroll clearing account balances at 30 June 2025, including PAYG and superannuation, not being properly reconciled and balances not being offset and / or cleared and / or remitted in a timely manner.

Audit work performed

Salaries and wages / employee benefits were tested through the following audit procedures:

- We have reviewed and documented the payroll/payments system to determine whether appropriate controls are in place.
- As part of the payroll procedures, we have selected a sample of employees and:
  - Reviewed their personnel files for completeness and supporting documentation, including TFN's and superannuation fund notifications.
  - Checked the authorisation of hourly pay rates and total salary and wage amounts and any additions and/or deductions thereto.
  - Checked reported hours worked, reported leave taken, and any payroll additions and deductions.
- For payroll runs selected we have traced the postings of payroll amounts to the general ledger and bank statements.

Audit Risk: Salaries and Wages / Employee Benefits (continued)

- We have reviewed the long service leave and annual leave entitlements payable and scrutinised the calculation methodology to ensure compliance with the applicable awards/employment contract and accounting standards.
- Re-calculated long service leave and annual leave entitlements payable for a sample of employees and scrutinised the calculation methodology to ensure compliance with the applicable awards/employment contract and accounting standards.
- Obtained the last payroll report in June and ensured that the employee leave entitlements are complete and accurate as at 30 June 2025.
- Performed an analytical review of payroll costs in 2024/25, including wages, superannuation, payroll tax and WorkCover. Comparisons have been made to prior years. Explanations have been obtained from management for all significant and / or unusual variances.

Results

From our audit procedures performed in respect of Salaries and Wages/ Employee Benefits, our review indicated that there were no process and policy issues from a financial reporting perspective.

It is our opinion that the risk of material misstatement has been reduced to an acceptable level.

Final Risk Assessment – Low

Audit Risk: Expenditure / Creditors

Preliminary Risk Assessment – Low

Financial statement area impacted	2025 $ ('000)	2024 $ ('000)
Total Expenditure – Contracted audit services	$19,542	$19,985
Total Expenditure – Other operating expenses	$4,809	$5,883
Trade and Other Payables	$2,795	$2,372

Risks identified

- Expenditure and creditors not being recorded in the correct period and the expenditure has not been authorised in accordance with the Victorian Auditor-General's Office's policies and procedures.
- GST not being properly recognised and accounted for.
- Unrecorded liabilities.

Audit work performed

Operating expenditure and creditors were tested through the following procedures:

- We have reviewed and documented the expenditure/trade creditors/payments system to determine whether appropriate controls are in place.
- Reviewed controls relating to the authorisation, posting and payment of expenditure, including purchase authorisation, posting of invoices, reconciliation of creditors and accruals.
- Reviewed and tested all material expenditure and ensured this is compliant with the current delegations of authority.
- Selected a sample of payments and expenditure incurred in 2024/25 and:
  - Agreed to supplier invoices and other supporting documentation
  - Ensured purchase and payment properly authorised
  - Checked that GST has been properly recognised, posted and accounted for
  - Traced posting of transactions to the general ledger, ensuring account allocations are appropriate.
- Reviewed all significant creditors and accruals recorded at 30 June 2025. Tested significant balances and reviewed subsequent payments to ensure no material omissions have been made.
- Compared reported trade and other payable balances (including accruals) at 30 June 2025, with prior years for reasonableness. Explanations have been obtained from management for all material variances.

Results

From our audit procedures performed in respect of Expenditure / Creditors, our review indicated that there were no process and policy issues from a financial reporting perspective.

It is our opinion that the risk of material misstatement has been reduced to an acceptable level.

Final Risk Assessment – Low

Audit Risk: Work-In-Progress

Preliminary Risk Assessment – Medium

Financial statement area impacted	2025 $ ('000)	2024 $ ('000)
Work-In-Progress (WIP)	$10,930	$15,832
Provision for Work-In-Progress	$-	$-

Risks identified

- The WIP balance is an area of estimation uncertainty.
- The WIP balance may not be correctly valued at balance date.

Audit work performed

Trade and other receivables were tested through the following audit procedures:

- We have reviewed the accounting policy for WIP to determine its appropriateness, and
- We have reviewed the WIP listing, calculations and discussed with management the assumptions used. We have also performed the following procedures for a sample of projects:
    - Agreed the billings to date to the milestone report;
    - Agreed the costings to date to the detailed WIP report and timesheets, and
    - Performed a recalculation on the WIP balance.

Results

From our audit procedures performed in respect of Work-In-Progress, our review indicated that there were no process and policy issues from a financial reporting perspective.

It is our opinion that the risk of material misstatement has been reduced to an acceptable level.

Final Risk Assessment – Low

Internal Controls: Areas for improvement

Classifications

We have ranked the issues raised in order of their importance and risk to the Victorian Auditor-General's Office to enable you to prioritise the control findings. They key to the colour coding used below is as follows:

- **Category A:** Those matters which pose significant business or financial risk, including financial reporting risk, to the client and should be addressed as a matter of urgency. This assessment is derived from considering the likelihood and consequence of the underlying risk.
- **Category B:** Those matters which pose moderate business or financial risk, including financial reporting risk. This assessment is derived from considering the likelihood and consequence of the underlying risk.
- **Category C:** Those matters which are procedural in nature or minor administrative failings. These could include minor accounting issues or relatively isolated control breakdowns which need to be brought to the attention of management.

Current year recommendations

We are required to report to you any significant deficiencies in internal control identified during the course of the audit.

Our audit work is designed primarily to enable us to express an opinion on the financial report as a whole and cannot be relied upon to reveal all the deficiencies in the systems and internal controls.

We wish to advise that we have not identified any significant control deficiencies at the Victorian Auditor-General's Office.

Audit services and the risk of fraud

Auditing Standard ASA 240 requires us to consider the risk of material misstatement in the financial report as a result of fraud and error.

We conducted a number of procedures during our audit for the consideration of the risk of fraud, including:

- Making enquiries of those charged with governance and management to obtain an understanding of how those charged with governance exercise oversight over management's processes for identifying and responding to fraud risks;
- Considering whether any fraud risk factors are present at the Victorian Auditor-General's Office;
- Making enquiries of management and those charged with governance to determine whether they have knowledge of any known or suspected fraud;
- Performing analytical procedures and considering any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing estimates for biases that could result in material misstatement due to fraud; and
- Obtaining written representations from management that it acknowledges its responsibility for the design and implementation of internal controls and that it has disclosed any known or suspected fraud.

Our procedures included:

- specific testing around revenue recognition
- testing of journal entry processes

Responsibility of those charged with governance

The primary responsibility for the prevention and detection of fraud rests with those charged with governance and management. Management of the Victorian Auditor-General's Office is responsible for maintaining accounting records and controls designed to prevent and detect fraud and error in addition to the accounting policies and estimates in the financial report.

Conclusion

We can confirm that our work performed did not identify any matters to report and management have confirmed that there have been no instances of fraud during the year to the best of its knowledge and belief.

Communication of audit matters with those charged with governance

In accordance with Auditing Standards, we are required to communicate a number of matters with those charged with governance which is covered by our audit strategy memorandum, within this audit finding report, and in the table below.

Matters to be considered	Work performed	Outcome
Irregularities and illegal acts	We have noted no errors or irregularities that would cause the financial report to contain a material misstatement. As part of our normal statutory audit no apparent illegal acts have come to our attention.	
Compliance with laws and regulations	We are not aware of any known or suspected non-compliance with laws or regulations applicable to the Victorian Auditor-General's Office that may be material to the financial report. We will also receive representations from management confirming that the Victorian Auditor-General's Office is in compliance with all laws and regulations that impact the Victorian Auditor-General's Office.	
Appropriateness of Accounting policies	We consider that the accounting policies adopted in the financial report are appropriately applied and disclosed. We noted no transactions entered into by the Victorian Auditor-General's Office during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognised in the financial report in a different period than when the transaction occurred.	
Going Concern	As part of our audit, we have assessed and agreed with the conclusions reached by management concerning the application of the going concern concept. Management's assessment of going concern will be included in the management representation letter.	
Disagreements with management	There have been no significant disagreements with management during the course of the audit.	
Independence of Auditor	We confirm that, as at the date of this report, the Firm and the members of the Audit Team continue to meet the independence requirements of Australian Auditing Standards and Professional and Ethical Standards in relation to the audit of the Victorian Auditor-General's Office.	
Consultations with Other Accountants	If management consulted with other accountants about auditing and accounting matters, we are to inform those charged with governance of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation. To our knowledge, management has not consulted with any experts or accountants.	

Other matters communicated

We would like to draw your attention to our findings in relation to other matters, as follows:

Finding #1 – Excessive staff annual leave

During our audit of the provision for employee leave entitlements, we noted that 17 staff had excessive annual leave hours accrued greater than 304 hours as at 30 June 2024. It is our understanding that management monitored the leave balances and plans were put in place during the year for employees to use their annual leave hours on a timely basis. As a result, we note that the number of employees with excessive annual leave accrued greater than 304 hours reduced to 14 employees as at 30 June 2025.

For noting, as at 30 June 2025 no. of staff exceeding 152 hours – 71 staff.

From our understanding, as part of monitoring, VAGO request managers and the affected employees to develop a leave plan. VAGO are currently collating data on the number of affected employees with developed leave plans.

Implication

Excessive annual leave is considered as an audit or fraud "red flag". It also has a negative effect on the net asset position of the Victorian Auditor-General's Office due to the significance of the liability and can be an employee health and welfare issue. This liability will increase over time in line with rises in employee wage rates.

Action

We understand that there is a formal policy in place whereby employees are recommended to maintain their annual leave below 304 hours and the Victorian Auditor-General's Office has a monitoring process and plan in place for employees to use their annual leave hours on a timely basis.

Management comments

The Chief People Officer (CPO) reports on staff with excessive annual leave (>8 weeks) to the Operational Management Group (OMG) and the Weekly Leaders' Briefing monthly.

Additionally, any excessive timecards submitted by employees (>45 hours per week) are reviewed and discussed at Weekly Leaders' Briefing to determine if any follow up action is required (i.e. employee health and welfare).

The Human Resources team will continue to work closely with business unit heads, executives and managers to manage excessive annual balances with their staff.

Other matters communicated (continued)

Finding #2 – Work-in-progress (“WIP”) calculation (also refer to unadjusted misstatement #2 – Appendix 1)
During our year-end audit fieldwork, we have noted that the Victorian Auditor-General’s Office had underestimated the WIP for the financial year, as identified by the VAGO finance team.

Implication
This understatement may have the following implications:

- Misstatement of financial position: The financial report may not accurately reflect the true value of assets, leading to a potential understatement of total assets at year end. Management decisions based on misreported figures could be adversely affected, impacting budgeting, planning, and resource allocation.
- Revenue recognition: There is a risk that revenue for the period may be misstated if the WIP calculation does not reflect services performed to date.

Action
We recommended that the Victorian Auditor-General’s Office regularly review and adjust their WIP calculations to ensure accuracy. This may involve implementing more robust estimation methods and regularly reconciling estimates with actual figures. It may also involve more formal and documented discussions regarding WIP. Additionally, we recommend management review the overall WIP estimation process and controls to ensure WIP balances are accurately and consistently determined in future reporting periods.

Management comments
We have updated the Finance service catalogue to include a detailed quarterly review of the WIP balance to ensure appropriateness and accuracy.

Details of meetings with the Auditor-General and VAGO and auditing issues dealt with

During the course of our audit we met on a regular basis with VAGO and VAGO’s Audit and Risk Committee (ARC) to discuss, clarify and resolve audit issues and findings. Significant auditing issues and findings dealt with have been documented in this external financial audit completion report.

Additionally, as part of the audit close process, this external financial audit completion report was tabled (in person Audit and Risk Committee (ARC) Meeting, held 13th August 2025) and Andrew Wehrens presented the findings contained in our external financial audit completion report. We note the matters and findings, on pages 17-18 of our external financial audit completion report, including excessive leave, as well as work in progress, were discussed in detail during this meeting and adequately addressed. Other than the matters covered in this external financial audit completion report, there were no other auditing issues requiring meetings with the Auditor-General and VAGO.

Review of the Performance Statement

The Victorian Auditor-General's Office is required to report on the measures used and results of the performance of the Victorian Auditor-General's Office through the performance statement. The statement includes the 2024-25 performance measures agreed with the Treasurer as set out in Budget Paper No. 3.

Our review of the Performance Statement has primarily consisted of making enquiries of those Victorian Auditor-General's Office personnel responsible for the records – whether financial, statistical or in regard to any other means of measuring inputs – that are utilised to determine and report the key performance indicators of efficiency and effectiveness contained in the Performance Statement.

We have:

- Gained an understanding of data sourcing, collation, calculation and application of any judgements;
- Walked through a sample of the data, tracing to supporting documents including correspondence, tabled reports, surveys and financial information,
- ensuring consistency with the information summarised into the report of performance;
- Performed analytical procedures to compare reported outcomes with expectation and prior year; and
- Checked the extraction of targets as documented in the tabled BP3 Budget Paper, ensuring consistency with the information contained in the report of performance.

We prepared an unqualified conclusion of negative assurance.

Appendix 1

Unadjusted misstatements identified by the VAGO finance team

No.	Account Description	Account Code	DR	CR
1	IT operating costs	23910-CS-CTRL	5,503.13	
	Recruitment	23310-FA-CTRL	23,186.03	
	Accrued expenses	50130-999-CTRL		28,689.16
	Journal – Additional "Accrued Expenses" at 30 June 2025.			

No.	Account Description	Account Code	DR	CR
2	Work in progress	31010-FA-ADMIN	96,508.67	
	Unbilled revenue	10310-FA-ADMIN		96,508.67
	SAU cash 8206-45000-3000	35200-999-CTRL	96,508.67	
	Annual appropriation – s29	12330-FA-CTRL		96,508.67
	Journal – Correction to Work-in-progress "WIP" at 30 June 2025.			

Management has represented that it is not aware of any additional unadjusted misstatements that are material either individually or in aggregate to the 30 June 2025 financial report. We are satisfied that the financial impact of the unadjusted misstatements, identified by the VAGO finance team, are immaterial to the financial report at an individual account and aggregate level, and have agreed with management that no adjustment is necessary.