

FinPro webinar

24 February 2022

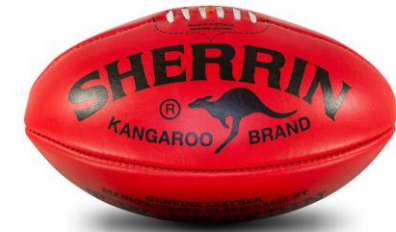
Travis Derricott
Sector Director, Financial Audit

VAGO

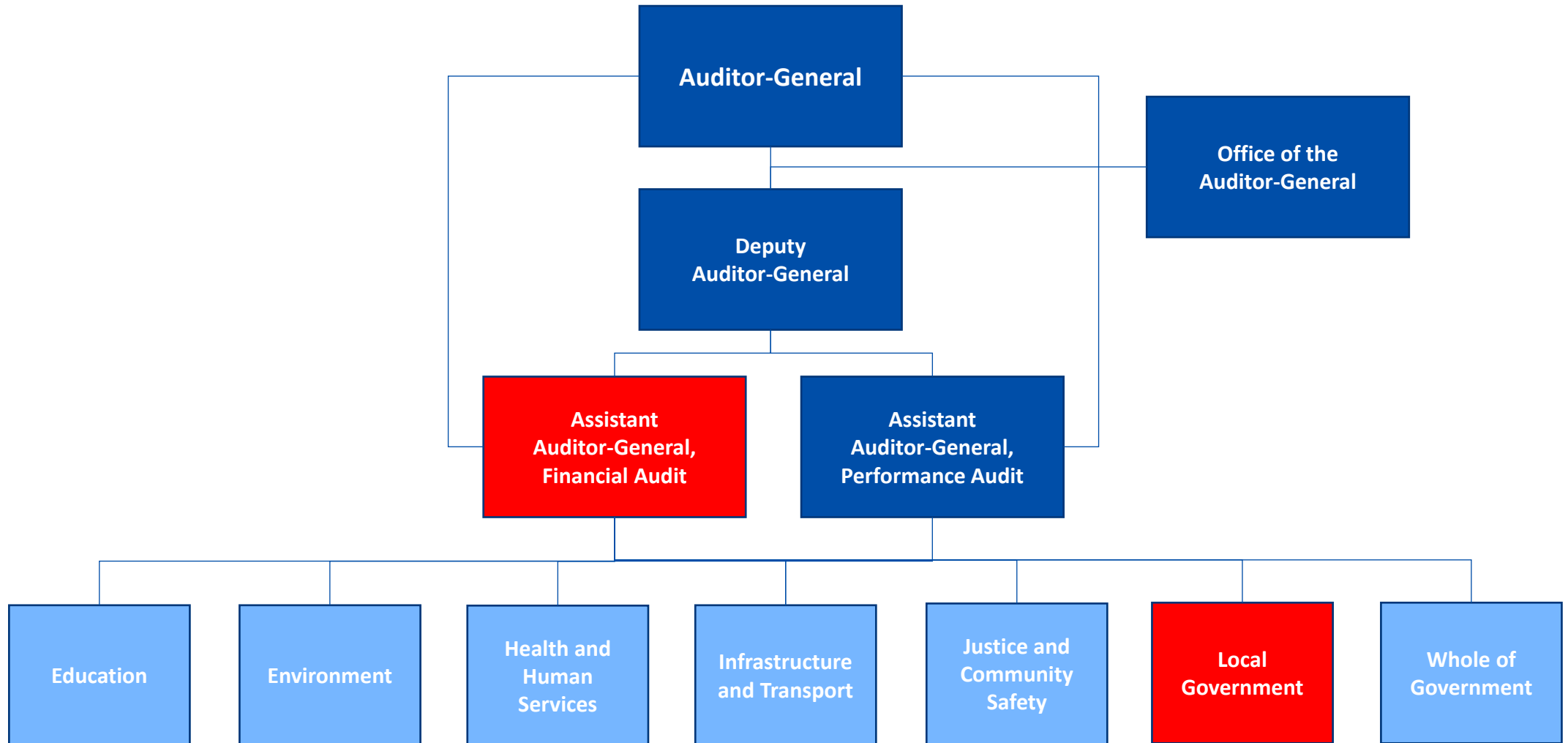
Agenda

1. **What do we know about the new Sector Director?**
2. **VAGO organisational structure**
3. **VAGO news**
4. **Key audit risks and areas of focus for 2021-22**
5. **Model accounts**
6. **Pieces of the puzzle!**
7. **Questions**

What do we know about the new Sector Director?



Organisational structure



Organisational structure (continued)

LG Financial Audit team

Travis Derricott, Sector Director

Barbara Chipwanya, Senior Audit Manager

Jung Yau, Audit Manager

Our team of audit service providers

- BDO
- Crowe
- HLB Mann Judd
- Johnsons MME
- RSD
- RSM

LG Performance Audit team

Jenny Koong, Acting Sector Director

Rocco Rottura, Senior Audit Manager

Michelle Trieu, Acting Assistant Audit Manager

VAGO news

1. Annual plan 2022-23

- Stakeholder consultation underway ... 14 Feb to 14 Mar '22
- Topics in out years under review
- Table in Parliament during June 2022

2. Performance Audits underway (involving Councils)

- Fraud control over local government grants ... 6 councils
- Offsetting native vegetation loss on private land ... 4 councils

VAGO news (continued)

3. Financial Audit

- COVID-19 impact continues
- State election
- Upcoming tender round
- Parliamentary reports ... Results of Audit 2021-22: Local Government

4. Audit Committee chairs forum

- Scheduled for June 2022, planning underway

Key audit risks and areas of focus

Financial statements

- Valuation of property, infrastructure, plant and equipment
- COVID-19 impacts
- Developer contributions – monetary and non-monetary
- Government grants
- Landfill provisions
- Regional library corporation developments

Performance statement

- Compliance with the Regulations, completeness and accuracy of data

Key audit risks and areas of focus (continued)

Government grants

- **Application of AASB 15 & AASB 1058**
 - Management need to exercise judgement ... **start with AASB 15**
- **Do we have an enforceable contract with sufficiently specific performance obligations**
 - xx units to be delivered at xx \$ price over xx period
- **Funding agreements**
 - **Review agreement and document your assessment against the specific clauses of AASB 15 to support your position**
 - **Focus on material funding agreements**
- **Multiple Councils receiving funding under same grant agreement**
 - **VAGO happy to review the funding agreement, in conjunction with our ASPs, and form a view prior to balance date**

Model accounts

1. LG model accounts 2021-22

- *Local Government (Planning and Reporting) Regulations 2020*
- VAGO consulted and feedback provided
- line items and disclosures not relevant to a particular Council should be **deleted**
- if a disclosure relates to an immaterial line item it can be **deleted**

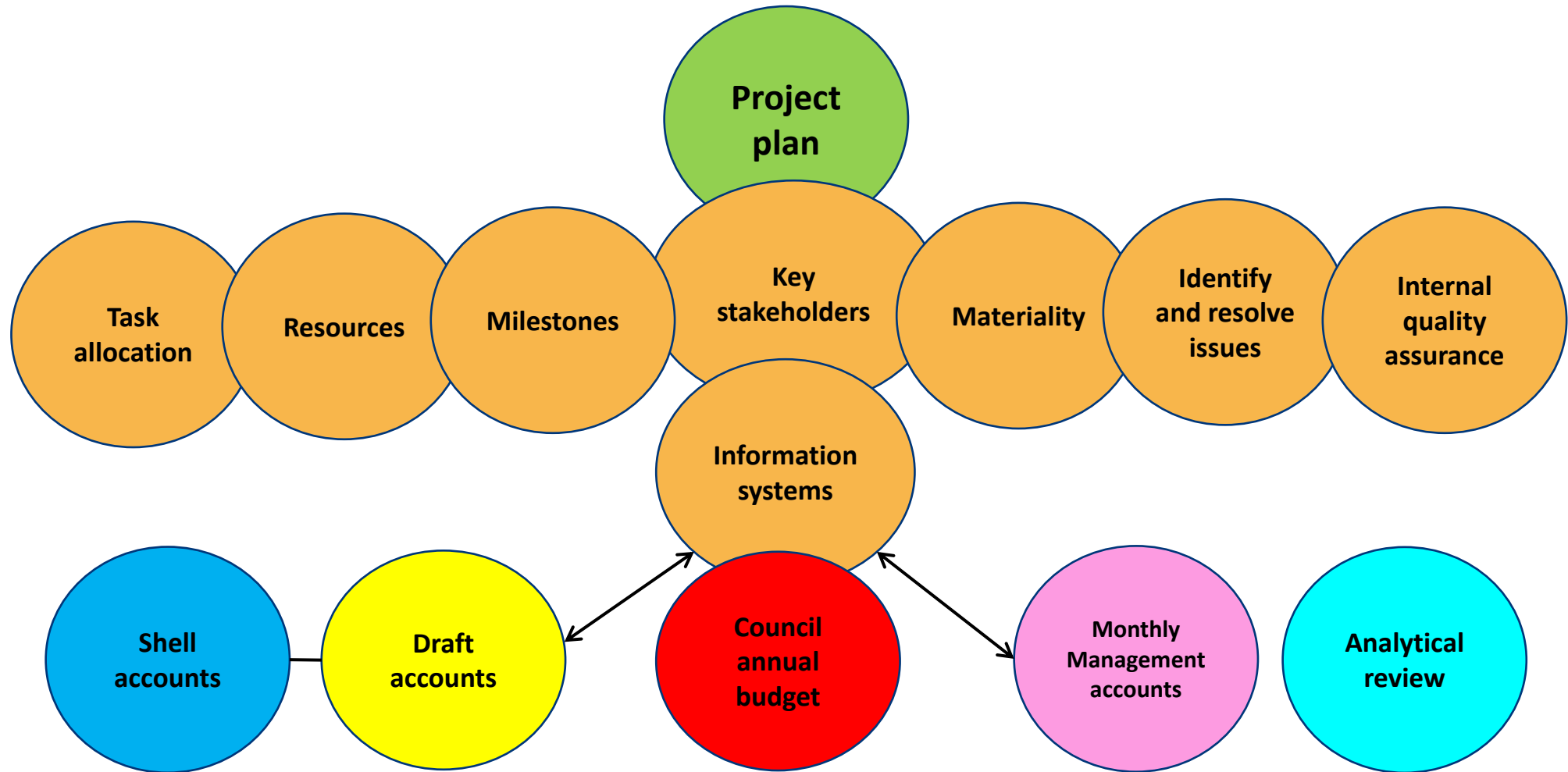
2. COVID disclosures to be tailored

3. VAGO publication streamlining financial statements

- <https://www.audit.vic.gov.au/news/streamlining-public-sector-financial-statements-tips-and-tricks-20210127>

Pieces of the puzzle

- Preparation of financial statements and the performance statement



Questions

