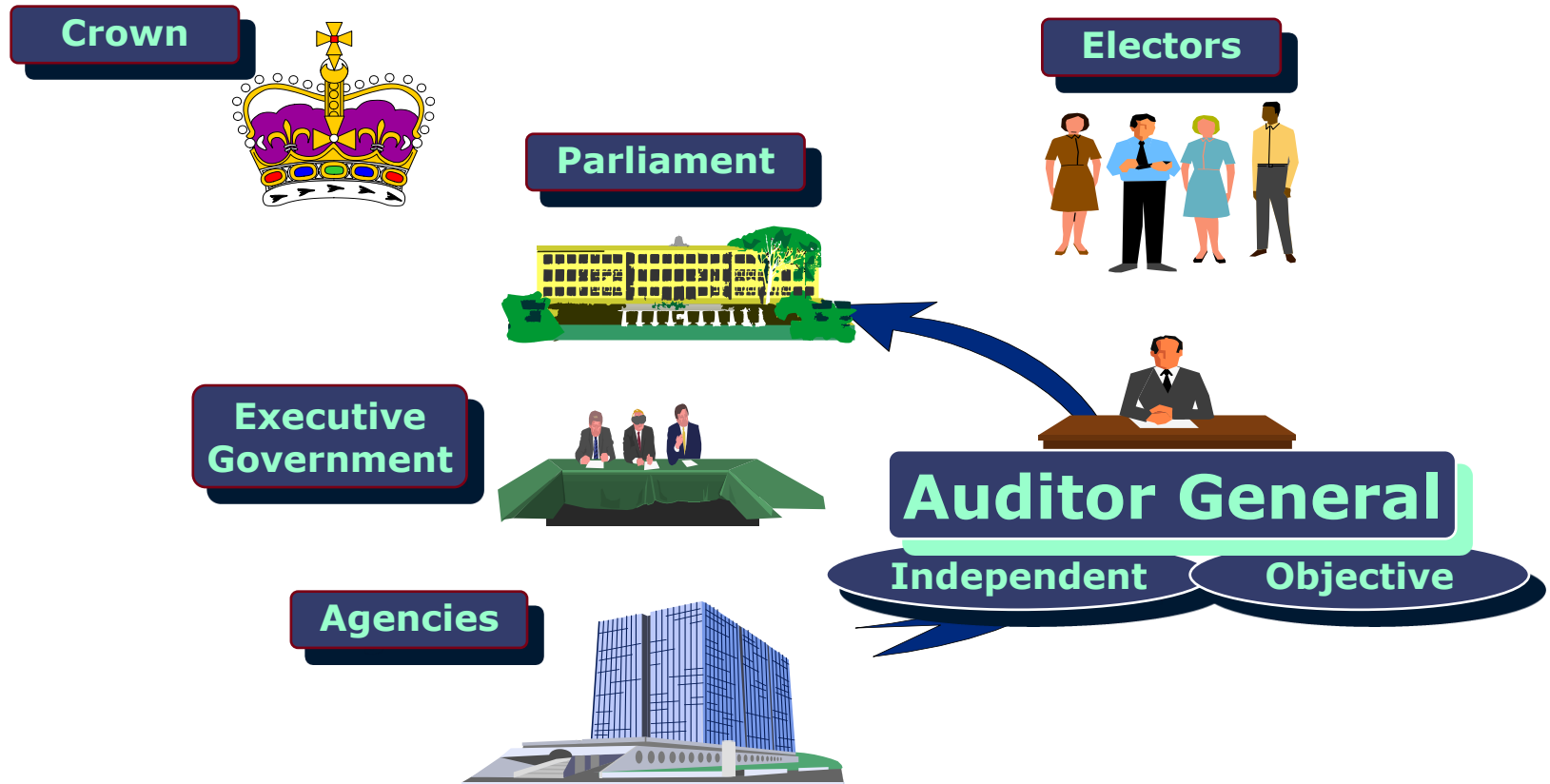


# Local Government

Ron Mak

Sector Director, Local Government, Financial Audit  
Victorian Auditor-General's Office  
13 October 2011; The Centre Ivanhoe



*Our Purpose: Providing assurance to Parliament on the accountability and performance of the Victorian public sector*

- Auditing in the public interest since 1851.
- Constitutional safeguard to serve interests of Parliament.
- A key link in the accountability process.
- Independence guaranteed through Constitution Act

## Financial Audit

- Review financial statements of 620+ agencies each year
  - Around 70% of audits undertaken by audit service providers
- Report on State's Estimated Financial Statements & Annual Financial Report

## Performance Audit

- Determine whether an authority is achieving objectives & operating economically, efficiently and effectively in compliance with all relevant Acts
  - Not question merits of policy objectives
  - Not to second guess reasonable management judgements

Why an annual plan?

How are topics determined?

How are area of focus targeted/developed?

Why are there limited topics in plan?

Can topics change once identified?

## Annual Plan 2010-11 tabled 5 May 2010:

- Outlines prospective audits 2010-11 to 2013-14
- Covers both Financial and Performance Audit

## VAGO Performance Audit Contact

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## Initiation

- Office sends the agency head an engagement letter and agency nominates a contact person

## Planning

- Office develops an “Audit Specification” PAEC and agency is consulted in course in preparation

## Conduct

- Gathers evidence and findings are progressively discussed

## Assessment

- Office issues “Preliminary” draft of conclusions, findings and proposed recommendations.

## Briefing to agency

- Per the Audit Act section 16(3) the proposed audit report is issued for agencies to respond to findings and recommendations.

## Report to Parliament

- Report is confidential until tabled in Parliament.

## 2010-11

- Business Continuity Management in Local Government
- Local Community Transport Services: the Transport Connections program
- Revitalising Central Dandenong

## 2011-12

- Business Planning for Major Capital Works and Recurrent Services in Local Government

## Local Government: Results of the 2010-11 Audits

- tabling in November
- Checking of Data
- Audit Act section 16(3) – commentary
- Performance statements

## Questions?

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