



VAGO Local Government sector monthly audit update — September 2021

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Local Government audit update

Ongoing Local government reports

Audit details	Agency(ies)	Team	Phase	Next planned milestone	Proposed tabling
Audit: Fraud control over local government grants Objective: To determine whether fraud and corruption controls over local government grants are well designed and operating as intended. Link	<ul style="list-style-type: none"> Hume City Council, Loddon Shire Council, Southern Grampians Shire Council, Warrnambool City Council West Wimmera Shire Council. 	<ul style="list-style-type: none"> EL – Sheraz Siddiqui Manager – Gina Mancuso 	<ul style="list-style-type: none"> Risk Assessment 	<ul style="list-style-type: none"> End of Conduct Brief November 2021 	<ul style="list-style-type: none"> March 2022
Assurance Review: Council waste management services Objective: To determine whether councils' waste management services provide value for money to their ratepayers. Link	<ul style="list-style-type: none"> Ballarat City Council, Bayside City Council, DELWP, Grampians Central West Waste and Resource Recovery Group, Greater Dandenong City Council, Melbourne City Council, Metropolitan Waste and Resource Recovery Group, Sustainability Victoria. 	<ul style="list-style-type: none"> EL – Sheraz Siddiqui Manager – Rocco Rottura 	<ul style="list-style-type: none"> Reporting* <p>*This audit is now a limited assurance review.</p>	<ul style="list-style-type: none"> TBC 	<ul style="list-style-type: none"> TBC
Audit: Offsetting native vegetation loss on private land Objective: To determine whether government is achieving its policy objective of no net loss to biodiversity as a result of permitted clearing on private land. Link	<ul style="list-style-type: none"> Baw Baw Shire Council, Campaspe Shire Council, DELWP, Nillumbik Shire Council, Trust for Nature and Yarra Ranges Council. 	<ul style="list-style-type: none"> EL – Dallas Mischkulnig Manager – Elsie Alcordo 	<ul style="list-style-type: none"> Early planning 	<ul style="list-style-type: none"> TBC 	<ul style="list-style-type: none"> May 2022

Planned Local government reports

Overview	Proposed Tabling	Agency(ies)
Audit: Effectiveness of the Enhanced Maternal and Child Health program Objective: To determine whether the Enhanced Maternal and Child Health program leads to improved access, participation and outcomes for vulnerable children and their families. Link	2022-23 Planned to start within three months	<ul style="list-style-type: none"> • City of Casey, • DH, • Hobsons Bay City Council, • Mildura Rural City Council, • Municipal Association of Victoria, • South Gippsland Shire Council • Yarra City Council.
Audit: Fraud and corruption risk in local government procurement Objective: To determine whether fraud and corruption controls over local government procurement are well-designed and operate as intended. Link	2022-23 Planned to start within three months	<ul style="list-style-type: none"> • Banyule City Council, • Hepburn Shire Council, • MAV, • Mitchell Shire Council, • Nillumbik Shire Council • Wodonga Regional City Council.
Audit: Food safety regulation in local government Objective: To determine whether councils' administration of food safety regulation ensures legislative compliance and supports public health. Link	2023-24	<ul style="list-style-type: none"> • DH, • A selection of councils.

Overview	Proposed Tabling	Agency(ies)
Audit: Hazardous waste management Objective: To determine whether responsible agencies' control and regulation of hazardous waste has reduced inappropriate disposal. Link	2023–24	<ul style="list-style-type: none"> City of Maribyrnong, Hume City Council, DELWP, EPA, Sustainability Victoria, Work Safe Victoria.
Audit: Regulation of council building approvals in local government Objective: To determine whether council regulation of building activity ensures that safety and amenity requirements are met and council assets are protected. Link	2022-23	<ul style="list-style-type: none"> Manningham City Council, Monash City Council, Surf Coast Shire Council, Wangaratta Rural City Council, Wyndham City Council.

Local government reports tabled in the last six months

Overview	Tabled	Agency(ies)
Audit: Maintaining local roads Objective: To determine whether councils are achieving value for money in maintaining their local roads. Link	<ul style="list-style-type: none"> March 2021 	<ul style="list-style-type: none"> Gannawarra Shire Council, Greater Bendigo City Council, Maribyrnong City Council, Northern Grampians Shire Council, Yarra Ranges Shire Council.

Other Integrity and Local Government Related Bodies

Reports

Local Government reports currently in progress

Topic	Overview	Status	Proposed Completion Date
Independent Broad-based Anti-Corruption Commission			
Operation Sandon Link	IBAC held public hearings during 2019 and 2020 into allegations of serious corrupt conduct in relation to planning and property development decisions at the City of Casey council.	In Progress	To be advised

Local Government reports prepared within the previous 6 months

Topic	Overview	Status	Completion Date
Victorian Ombudsman			
The Ombudsman for Human Rights: A Casebook Link	The report details how the Victorian Ombudsman dealt with more than 3000 complaints about human rights issues in the past year, prompting, in many cases, reversals of decisions, improved policies and other actions upholding the public's rights.	Completed	4 August 2021
Councils and complaints - a good practice guide 2nd edition Link	This updated guide provides advice on implementing new legislative requirements relating to complaints, using good practice complaint handling and building a positive culture around complaints.	Completed	22 July 2021
Investigation into Melton City Council's engagement of IT company, MK Datanet Pty Ltd Link	The Victorian Ombudsman investigation found that a well-paid council IT contract worker directed \$1.6 million of ratepayers' money into one of his own companies as lax oversight allowed him to manipulate processes. Following the investigation, the Ombudsman has recommended the issues be raised with Victoria Police and the Australian Securities and Investments Commission.	Completed	9 June 2021

Topic	Overview	Status	Completion Date
Investigation into how local councils respond to ratepayers in financial hardship Link	In light of the COVID-19 pandemic, Victorian Ombudsman investigated how Victoria's 79 local councils are responding to ratepayers in financial hardship. The investigation focused on council hardship relief for homeowners (ratepayers who cannot pay rates on their primary residence).	Completed	5 May 2021
Outsourcing of parking fine internal reviews – a follow-up report Link	<p>The Ombudsman's follow-up investigation report found that more than 17,400 parking fines could be overturned as it identified a further five councils, a university and an agency outsourced internal reviews of parking infringements.</p> <p>There are now 12 councils and agencies in Victoria that have or are setting up refund schemes for motorists affected by historical outsourcing of parking fine reviews.</p>	Completed	17 March 2021

Active governance matters

Topic	Councils and timeline	Relevant Dates
Municipal Monitors Link	<ul style="list-style-type: none"> Strathbogie Shire Council (Link) South Gippsland Shire Council (Link) 	<p>Period of six months, commencing 14 September 2021.</p> <p>Undisclosed period following October 2021 elections.</p>
Long-term Government appointed administrators Link	<ul style="list-style-type: none"> South Gippsland Shire Council (Link) Casey City Council (Link) Whittlesea City Council (Link) 	<p>21 June 2019 until the next election for the council in October 2021</p> <p>14 May 2020 to October 2024</p> <p>19 June 2020 to October 2024</p>

Interstate audit and integrity reports

Ongoing

Overview	Proposed tabling	Agency(ies)
New South Wales		
Audit: Business and service continuity planning: Bega Valley Shire Council and Snowy Valleys Council Objective: This audit will examine the effectiveness of business and service continuity planning processes and implementation in a selection of local councils in preparing these organisations for recent emergency events. Link	<ul style="list-style-type: none"> October 2021 	<ul style="list-style-type: none"> Bega Valley Shire Council Snowy Valleys Council
Queensland		
Audit: Local government 2021 Objective: This audit will summarise the results of QAO's financial audits of the Queensland councils and the related entities they control that produced financial statements as at 30 June. Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> All local councils
Audit: Water 2021 Objective: This audit will summarise financial audit results of state and local government owned water entities, and two controlled entities for 2020–21. Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> Seqwater SunWater Gladstone Area Water Board Mount Isa Water Board Queensland Urban Utilities Unitywater. Local Councils who own water entities

Overview	Proposed tabling	Agency(ies)
Western Australia		
Audit: Safe and Viable cycling in the Perth and Peel region Objective: This audit will assess the effectiveness of LG entities in improving the Perth and Peel cycling network and follow-up recommendations from OAG's 2015 performance audit <i>Safe and Viable Cycling in the Perth Metropolitan Area</i> . Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> Local government entities for Perth and Peel regions Department of Transport
Audit: State of Cyber security in local government entities Objective: This audit will determine if local government entities are effectively managing cyber security. Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> Sample of Local government entities
Audit: Local Government financial hardship support Objective: This audit will assess if LG entities provide effective financial hardship support to assist ratepayers impacted by COVID-19. Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> Sample of Local government entities
Australian National Audit Office (ANAO)		
Audit: Operation of Grants Hubs Objective: This audit will assess the design and implementation of the Streamlining Government Grants Administration (SGGA) Program in improving the effective and efficient delivery of grants administration. <i>*This report will not include Local Councils, but its contents may directly apply to areas concerning Local Government operations.</i> Link	<ul style="list-style-type: none"> November 2021 	<ul style="list-style-type: none"> Department of Finance Department of Industry, Science, Energy and Resources Department of Social Services

Planned Reports

Overview	Proposed tabling	Agency(ies)
New South Wales		
Audit: Development assessment processes in local councils: assessment stage Objective: This audit could assess the extent to which the 'assessment' stage at selected local councils aligns with relevant legislation and relevant guidance from Department of Planning, Industry and Environment and the Independent Commission Against Corruption. Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> Selected local councils
Audit: Compliance review: Cybersecurity Objective: In February 2019 the Department of Finance, Services and Innovation launched the NSW Cyber Security Policy to ensure all NSW Government Departments and Public Service Agencies are managing cyber security risks to their information and systems. The policy mandates a number of requirements that are a minimum that all agencies must implement. In addition, agencies must assess their level of cyber maturity. This audit will examine whether agencies are complying with the Policy. Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> All NSW Government Departments and Public Service Agencies
Audit: Effectiveness of financial management and governance in selected council(s) Objective: This audit will consider one or more councils and examine how these principles are effectively applied in the councils' financial and asset management, funding decisions and risk management practices, and may examine how councils' expenditure and investment decisions have complied with the Act. Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> Selected local councils
Audit: The effectiveness of local government regulation and support Objective: This audit may consider whether the Department of Planning, Industry and Environment effectively regulates, monitors and supports the local government sector in New South Wales. Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> Selected local councils

Overview	Proposed tabling	Agency(ies)
Audit: Performance audit insights: Key findings from 2018–2021 Objective: This report will analyse the key findings and recommendations from performance audits tabled in the NSW Parliament between July 2018 and June 2021, spanning varied areas of government activity. The report will present common findings and lessons from the past three years of performance audits with particular focus on issues relating to the integrity and transparency of decision making and processes, as well as the fundamentals of good governance such as probity controls and record keeping. Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> All NSW Government Departments and Public Service Agencies audited between 2018 and 2021.
Audit: Local government 2021 Objective: This report will bring together findings and recommendations from NSWAO 2020–21 financial audits of local councils and will comment on financial reporting and performance, internal controls and governance, and areas of interest that are in focus during the conduct of our audits. Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> All local councils
Queensland		
Audit: Improving asset management in local government Objective: This audit will examine whether councils are effectively managing their infrastructure assets to maximise service potential, while minimising the total cost of owning these assets. Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> Department of State Development, Infrastructure, Local Government and Planning Local councils
Audit: Maintaining strong and prosperous regions Objective: This audit will assess the Queensland Government's effectiveness in progressing the goals for strong and prosperous regions in its Queensland Plan. Link	<ul style="list-style-type: none"> 2022-23 	<ul style="list-style-type: none"> Department of Local Government, Racing and Multicultural Affairs Selection of local councils

Overview	Proposed tabling	Agency(ies)
Audit: Managing Queensland's world heritage sites Objective: This audit will assess how effectively the state's tourism and environmental entities are managing Queensland's world heritage listed sites Link	<ul style="list-style-type: none"> 2022-23 	<ul style="list-style-type: none"> Department of Environment and Science Department of Tourism, Innovation and Sport Tourism and Events Queensland Local councils.
Audit: Local government 2022 Objective: This audit will summarise the results of QAO's financial audits of the Queensland councils and the related entities they control that produced financial statements as at 30 June. Link	<ul style="list-style-type: none"> 2022-23 	<ul style="list-style-type: none"> All Local councils.
Audit: Water 2022 Objective: This audit will summarise financial audit results of state and local government owned water entities, and two controlled entities for 2020–21. Link	<ul style="list-style-type: none"> 2022-23 	<ul style="list-style-type: none"> Seqwater SunWater Gladstone Area Water Board Mount Isa Water Board Queensland Urban Utilities Unitywater. Local Councils who own water entities
Tasmania		
Audit: Council general manager recruitment, appointment and performance assessment Objective: This audit will assess recruitment processes, contractual and remuneration arrangements and performance assessment for council general managers. Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> A selection of local councils

Overview	Proposed tabling	Agency(ies)
Audit: Managing landfills Objective: This audit will examine whether the Environmental Protection Authority's current regulatory approach is appropriately administered, is being complied with and has been effective in providing assurance that landfills are not leading to adverse human health and environmental impacts, both currently and for future generations. Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> Environmental Protection Authority Department of Primary Industries, Parks, Water and Environment Selected Councils and Joint Authorities
Audit: Council Procurement - Report 3 Objective: This audit will assess whether procurement of goods and services by councils is being undertaken in accordance with the: <ul style="list-style-type: none"> <i>Local Government Act 1993</i> <i>Local Government (General) Regulations 2015</i> <i>Council's Code for Tenders and Contracts</i> <i>Council's internal policies, procedures and manuals</i> Link	<ul style="list-style-type: none"> 2021-22 	<ul style="list-style-type: none"> A selection of local councils

Tabled in the last three months

Overview	Tabled	Agency(ies)
Western Australia		
Audit: Staff Exit Controls This audit assessed if the Department of Planning, Lands and Heritage; the Department of Finance and the Department of Local Government, Sport and Cultural Industries effectively and efficiently manage the exit of staff to minimise security, asset and financial risks. Link	<ul style="list-style-type: none"> 5 August 2021 	<ul style="list-style-type: none"> Department of Planning, Lands and Heritage Department of Finance Department of Local Government, Sport and Cultural Industries

Overview	Tabled	Agency(ies)
Audit: Temporary Abbreviated State Procurement Control Requirements This audit assessed if State government entities were appropriately applying temporary abbreviated State procurement control requirements put in place in response to the COVID-19 pandemic. Link	<ul style="list-style-type: none"> 30 June 2021 	<ul style="list-style-type: none"> 25 public sector entities including Department of Local Government, Sport and Cultural Industries
Audit: Information Systems Audit Report 2021 – State Government Entities This report summarises the results of the 2020 annual cycle of information systems audits for State government entities and tertiary institutions in the Western Australian public sector. Link	<ul style="list-style-type: none"> 16 June 2021 	<ul style="list-style-type: none"> 36 public sector entities including Department of Local Government, Sport and Cultural Industries
Audit: Audit Results Report – Annual 2019-20 Financial Audits of Local Government Entities This report summarises the third year of OAG’s 4-year transition into local government financial auditing. It includes the results of 117 local government entities. Link	<ul style="list-style-type: none"> 16 June 2021 	<ul style="list-style-type: none"> 117 local government entities
South Australia		
Audit: Examination of the Community Wastewater Management Systems Program This audit assessed the arrangements established by the Local Government Association of South Australia to manage the Community Wastewater Management Systems Program. Link	<ul style="list-style-type: none"> 24 August 2021 	<ul style="list-style-type: none"> Local Government Association of South Australia

Acronyms

Acronym	Term
CSV	Court Services Victoria
DTF	Department of Treasury and Finance
DELWP	Department of Environment, Land, Water and Planning
DET	Department of Education and Training
DFFH	Department of Families, Fairness and Housing
DH	Department of Health
DJCS	Department of Justice and Community Safety
DJPR	Department of Jobs, Precincts and Regions
DoT	Department of Transport
DPC	Department of Premier and Cabinet
EL	Engagement Lead
MTIA	Major Transport Infrastructure Authority
OPV	Office of Projects Victoria
SRLA	Suburban Rail Loop Authority
NSWAO	New South Wales Audit Office
QAO	Queensland Audit Office
OAG	Office of Auditor General (WA)

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