



Victorian Auditor-General's Office

Local Government audit update — June 2021

Local Government reports tabled within the previous 6 months

Topic	Overview	Status	Tabled	Agency(ies)	Link
Annual Plan 2021–22	The Victorian Auditor-General's Annual Plan 2021–22 was prepared pursuant to the requirements of section 73 of the Audit Act 1994 and tabled in the Parliament of Victoria on 10 June 2021.	Completed	10 June 2021	<ul style="list-style-type: none"> Department of Environment, Land, Water and Planning Department of Education and Training Department of Families, Fairness and Housing Department of Health Department of Justice and Community Safety Department of Transport Department of Premier and Cabinet Department of Treasury and Finance Local councils in Victoria 	https://www.audit.vic.gov.au/report/annual-plan-2021-22
Measuring and Reporting on Service Delivery	<p>Audit examined if departments:</p> <ul style="list-style-type: none"> meet their responsibilities to measure and report on performance in compliance with DTF's Resource Management Framework (the Framework) ensure their performance information is accurate 	Completed	26 May 2021	<ul style="list-style-type: none"> Department of Environment, Land, Water and Planning Department of Education and Training Department of Families, Fairness and Housing Department of Health 	https://www.audit.vic.gov.au/report/measuring-and-reporting-service-delivery

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	<ul style="list-style-type: none"> - report their performance information in a way that users can readily understand. 			<ul style="list-style-type: none"> • Department of Justice and Community Safety • Department of Jobs, Precincts and Regions • Department of Transport • Department of Premier and Cabinet • Department of Treasury and Finance • Local councils in Victoria 	
Implementing a New Infringements Management System	<p>Audit examined whether the rollout of the new infringement system was effective and cost efficient.</p> <p><i>*This report did not include Local Councils but drew on the work of the Fines Reform Advisory Board who consulted with them about revenue lost through inability to collect fines revenue through Fines Victoria</i></p>	Completed	5 May 2021	<ul style="list-style-type: none"> • Department of Justice and Community Safety • Department of Treasury and Finance • Fines Victoria 	https://www.audit.vic.gov.au/report/implementing-a-new-infringements-management-system
Service Victoria— Digital Delivery of Government Services	<p>Audit examined the implementation of Service Victoria (SV), the Department of Premier and Cabinet (DPC)'s oversight of it, and the benefits SV is delivering.</p> <p><i>*This report will not include Local Councils but contains contents concerning Local Government operations.</i></p>	Completed	18 March 2021	<ul style="list-style-type: none"> • Service Victoria • Department of Premier and Cabinet 	https://www.audit.vic.gov.au/report/service-victoria-digital-delivery-government-services
Maintaining local roads	<p>Audit examined whether councils use asset data, budget information and community feedback to inform their planning for road maintenance. A detailed dashboard is also published from the public and individual reports for each one of the 79 councils, comparing their results against their cohort and state averages.</p>	Completed	17 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 	https://www.audit.vic.gov.au/report/maintaining-local-roads

Topic	Overview	Status	Tabled	Agency(ies)	Link
Results of 2019–20 audits: Local government	<p>This report outlines the results and observations from financial audits of the LG entities for the year ended 30 June 2020.</p> <p>An LG data dashboard is also published, making publicly available all the data used in the report to generate the analysis, benchmarking information and financial sustainability assessments.</p>	Completed	17 March 2021	<ul style="list-style-type: none"> All Councils 	https://www.audit.vic.gov.au/report/results-2019-20-audits-local-government

Planned and in progress Local Government reports

Topic	Overview	Status	Proposed Tabling	Agency(ies)	Link
Council waste management services	To determine whether councils' waste management services are achieving value for money.	In Progress	2021-22	<ul style="list-style-type: none"> Ballarat City Council Bayside City Council Department of Environment, Land, Water and Planning Grampians Central West Waste and Resource Recovery Group Greater Dandenong City Council Melbourne City Council Metropolitan Waste Resource and Recovery Group Sustainability Victoria 	https://www.audit.vic.gov.au/report/delivering-local-government-services-waste-management-services

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Supplying and using recycled water	To determine whether responsible agencies are increasing the use of recycled water to meet future water demand.	In Progress	2021-22	<ul style="list-style-type: none"> Department of Environment, Land, Water and Planning Environmental Protection Authority Victoria Barwon Water City of Greater Geelong 	https://www.audit.vic.gov.au/report/supply-and-use-alternative-urban-water-sources
Fraud control over local government grants	To determine whether fraud and corruption controls over grants in local government are well designed and operating as intended.	In Progress	2021-22	<ul style="list-style-type: none"> Hume City Council Knox City Council Loddon Shire Council Southern Grampians Shire Council West Wimmera Shire Council 	https://www.audit.vic.gov.au/report/fraud-control-over-grants-local-government
Offsetting native vegetation loss on private land	To determine whether government is achieving its policy objective of no net loss to biodiversity as a result of permitted clearing on private land.	Planned	2021-22	<ul style="list-style-type: none"> Department of Environment, Land, Water and Planning Trust for Nature Baw Baw Shire Council Campaspe Shire Council Nillumbik Shire Council Yarra Ranges Shire Council 	N/A
Effectiveness of the Enhanced Maternal and Child Health Program	To determine whether the Enhanced Maternal and Child Health (EMCH) Program leads to improved access, participation, and outcomes for vulnerable children and their families targeted by the program.	Planned	2022-23	<ul style="list-style-type: none"> Department of Health and Human Services Department of Education and Training Municipal Association of Victoria City of Casey Hobsons Bay City Council Mildura Rural City Council South Gippsland Shire Council Yarra City Council 	https://www.audit.vic.gov.au/report/effectiveness-enhanced-maternal-and-child-health-program

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Implementing Plan Melbourne 2017-50	To determine the extent to which implementation of Plan Melbourne 2017–50 is supporting productivity, sustainability and liveability.	Planned	2022-23	<ul style="list-style-type: none"> Department of Environment, Land, Water and Planning Department of Jobs, Precincts and Regions Maroondah City Council Moonee Valley City Council 	https://www.audit.vic.gov.au/report/implementing-plan-melbourne-2017-50
Fraud and corruption risk in local government procurement	To determine whether fraud and corruption controls over local government procurement are well-designed and operate as intended.	Planned	2022-23	<ul style="list-style-type: none"> Banyule City Council Hepburn Shire Council Municipal Association of Victoria Mitchell Shire Council Nillumbik Shire Council Wodonga Regional City Council 	https://www.audit.vic.gov.au/report/fraud-and-corruption-risk-local-government-procurement
Developing Fishermans Bend	To determine whether planning and early development of Fishermans Bend supports the delivery of the development’s objectives.	Planned	2022-23	<ul style="list-style-type: none"> Department of Environment, Land, Water and Planning Development Victoria Department of Jobs, Precincts and Regions Melbourne City Council Port Phillip City Council 	https://www.audit.vic.gov.au/report/developing-fishermans-bend
Road congestion and public transport	To determine whether regulatory interventions for road-based public transport on congested roads are working as planned.	Planned	2022-23	<ul style="list-style-type: none"> Department of Transport Victoria Police Selected local councils 	https://www.audit.vic.gov.au/report/road-congestion-and-public-transport
Regulation of council building approvals in local government	To determine whether council regulation of building activity ensures that safety and amenity requirements are met, and council assets are protected.	Planned	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 	https://www.audit.vic.gov.au/report/regulation-council-building-approvals-local-government

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Managing land-use buffers	To determine whether the management of land-use buffers is promoting public health, safety and liveability.	Planned	2022-23	<ul style="list-style-type: none"> Department of Environment, Land, Water and Planning Environment Protection Authority Victoria Metropolitan Waste and Resource Recovery Group City of Greater Dandenong City of Kingston 	https://www.audit.vic.gov.au/report/managing-land-use-buffers
Hazardous waste management	To determine whether responsible agencies' control and regulation of hazardous waste has reduced inappropriate disposal.	Planned	2023-24	<ul style="list-style-type: none"> Department of Environment, Land, Water and Planning Environment Protection Authority Victoria Maribyrnong City Council Metropolitan Waste Resource Recovery Group Sustainability Victoria Whittlesea City Council WorkSafe Victoria 	https://www.audit.vic.gov.au/report/hazardous-waste-management-0
Food safety regulation in local government	To determine whether councils' administration of food safety regulation ensures legislative compliance and supports public health.	Planned	2023-24	<ul style="list-style-type: none"> Department of Health and Human Services A selection of local councils 	https://www.audit.vic.gov.au/report/food-safety-regulation-local-government

Other Integrity and Local Government Related Bodies update — June 2021

Local Government reports prepared within the previous 6 months

Topic	Overview	Status	Published	Link
Victorian Local Government and Minister for Local Government				
Victorian Local Government Rating System Review	The Victorian Government is conducted a full review into the Victorian Local Government Rating System. The report provided a list of 56 recommendation to be considered for the Victorian Local Government Rating System.	Completed	21 December 2020	https://www.localgovernment.vic.gov.au/council-governance/victorian-local-government-rating-system-review https://engage.vic.gov.au/rating-review
Victorian Ombudsman				
Investigation into Melton City Council's engagement of IT company, MK Datanet Pty Ltd	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	https://www.ombudsman.vic.gov.au/our-impact/investigation-reports/investigation-into-melton-city-councils-engagement-of-it-company-mk-datanet-pty-ltd/
Investigation into how local councils respond to ratepayers in financial hardship	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	17 May 2021	https://www.ombudsman.vic.gov.au/our-impact/investigation-reports/investigation-into-how-local-councils-respond-to-ratepayers-in-financial-hardship/
Outsourcing of parking fine internal reviews – a follow-up report	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. 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.	Completed	17 March 2021	https://www.ombudsman.vic.gov.au/our-impact/investigation-reports/outourcing-of-parking-fine-internal-reviews-a-follow-up-report/

Local Government reports currently in progress

Topic	Overview	Status	Proposed Publishing	Link
Independent Broad-based Anti-Corruption Commission				
Operation Sandon	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	https://www.ibac.vic.gov.au/investigating-corruption/IBAC-examinations/operation-sandon

Active Council governance matters as at date:

Topic	Councils and timeline	Link
Long-term Government appointed administrators	<ul style="list-style-type: none"> • South Gippsland Shire Council (21 June 2019 until the next election for the council in October 2021) • Casey City Council (14 May 2020 to October 2024) • Whittlesea City Council (19 June 2020 to October 2024) 	https://www.localgovernment.vic.gov.au/council-governance/commission-of-inquiry-into-south-gippsland-shire-council2 https://www.localgovernment.vic.gov.au/council-governance/independent-reports https://www.localgovernment.vic.gov.au/council-governance/independent-reports

Interstate Audit Office and Integrity body update — June 2021

Interstate Local Government reports tabled within the previous 3 months

Topic	Overview	Status	Tabled	Agency(ies)	Link
New South Wales					
Report on Local Government 2020	The report details the results of the local government sector council financial statement audits for the year ended 30 June 2020.	Completed	27 May 2021	<ul style="list-style-type: none"> All local councils 	https://www.audit.nsw.gov.au/our-work/reports/report-on-local-government-2020
Investigation into the conduct of councillors of the former Canterbury City Council and others (Operation Dasha) - by Independent Commission Against Corruption (ICAC)	<p>The ICAC investigated allegations concerning the former Canterbury City Council, including whether, public officials including former councillors dishonestly and/or partially exercised their official functions in relation to planning proposals and/or applications concerning properties in the Canterbury City Council local area.</p> <p>In its investigation report, the Commission makes findings of serious corrupt conduct against the concerned former public officials. The report makes 23 corruption prevention recommendations to help address the corruption risks identified and to help prevent the same conduct identified from reoccurring.</p>	Completed	22 March 2021	<ul style="list-style-type: none"> Canterbury City Council 	https://www.icac.nsw.gov.au/investigations/past-investigations/2021/canterbury-city-council-operation-dasha
Queensland					
Local government 2020	This audit summarised the results of our financial audits of the Queensland councils and the related entities they control that produced financial statements at 30 June.	Completed	22 April 2021	<ul style="list-style-type: none"> All local councils 	https://www.gao.qld.gov.au/reports-resources/reports-parliament/local-government-2020
Western Australia					

Topic	Overview	Status	Tabled	Agency(ies)	Link
Audit Results Report – Annual 2019-20 Financial Audits of Local Government Entities	This report summarises the third year of QAO’s 4-year transition into local government financial auditing. It includes the results of 117 local government entities.	Completed	16 June 2021	<ul style="list-style-type: none"> 117 local government entities 	https://audit.wa.gov.au/reports-and-publications/reports/audit-results-report-annual-2019-20-financial-audits-of-local-government-entities/
Local Government General Computer Controls	The report summarises the results of OAG’s 2020 annual cycle of information systems audits across a selection of 50 local government entities.	Completed	12 May 2021	<ul style="list-style-type: none"> Selection of 50 local councils 	https://audit.wa.gov.au/reports-and-publications/reports/local-government-general-computer-controls/
Regulation and support of local government	This audit assessed whether the Department of Local Government, Sport and Cultural Industries effectively regulates and supports local government entities.	Completed	30 April 2021	<ul style="list-style-type: none"> Selection of local councils 	https://audit.wa.gov.au/auditing-in-wa/audit-program/
Tasmania					
Auditor-General’s Report on the Financial Statements of State Entities Volume 2	This report summarises the outcomes of audits of financial statements of State entities and audited subsidiaries of State entities for the years ended 31 December 2019 and 30 June 2020.	Completed	25 March 2021	<ul style="list-style-type: none"> Public Sector entities including 29 Local councils 	https://www.audit.tas.gov.au/publication/agr2020v2/
Australian National Audit Office (ANAO)					
Cyber Security Strategies of Non-Corporate Commonwealth Entities	<p>The objective of the audit was to assess the effectiveness of cyber security risk mitigation strategies implemented by selected non-corporate Commonwealth entities to meet mandatory requirements under the Protective Security Policy Framework, and the support provided by the responsible cyber policy and operational entities.</p> <p><i>*This report will not include Local Councils, but its contents may directly apply to areas concerning Local Government operations.</i></p>	Completed	19 March 2021	<ul style="list-style-type: none"> Across entities 	https://www.anao.gov.au/work/performance-audit/cyber-security-strategies-non-corporate-commonwealth-entities

Local Government reports currently in progress and planned

Topic	Objective(s)	Status	Proposed Tabling	Agency(ies)	Link
New South Wales					
Business continuity and disaster recovery planning	This audit will examine the effectiveness of business continuity planning processes in a selection of local councils in preparing these organisations for recent emergency events.	Planned	2020-21	<ul style="list-style-type: none"> A selection of local councils 	https://www.audit.nsw.gov.au/our-work/reports/business-continuity-and-disaster-recovery-planning
Council annual charges	This audit could examine selected common charges across a number of councils to understand what is driving the variability in charges for the common services, that vary greatly between councils.	Planned	2020-21	<ul style="list-style-type: none"> A selection of local councils 	https://www.audit.nsw.gov.au/our-work/reports/council-annual-charges
Compliance review: Cybersecurity	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.	Planned	2020-21	<ul style="list-style-type: none"> All NSW Government Departments and Public Service Agencies 	https://www.audit.nsw.gov.au/our-work/reports/compliance-review-cybersecurity
Queensland					
Effectiveness of Local Government Audit committees	This audit will assess the effectiveness of audit committees in local governments.	Planned	2021-22	<ul style="list-style-type: none"> A selection of local councils 	https://www.gao.qld.gov.au/audit-program
Local government 2021	This audit will summarise the results of our financial audits of the Queensland councils and the related entities they control that produced financial statements at 30 June	Planned	2021-22	<ul style="list-style-type: none"> A selection of local councils 	https://www.gao.qld.gov.au/audit-program

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Topic	Objective(s)	Status	Proposed Tabling	Agency(ies)	Link
Water 2021	This audit will summarise financial audit results of state and local government owned water entities, and two controlled entities for 2020–21.	Planned	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 	https://www.gao.qld.gov.au/audit-program
Queensland Floods Commission of Enquiry	This audit will assess whether Queensland is better able to prevent and prepare for floods following the Queensland Floods Commission of Inquiry.	Planned	2021-22	<ul style="list-style-type: none"> • Department of Natural Resources, Mines and Energy • Department of Environment and Science • Queensland Reconstruction Authority • A selection of local councils • Department of State Development, Manufacturing, Infrastructure and Planning 	https://www.gao.qld.gov.au/audit-program
Commonwealth Games Legacy	This audit will assess whether the state has realised the intended legacy benefits from the Commonwealth Games.	Planned	2021-22	<ul style="list-style-type: none"> • Department of Innovation and Tourism Industry Development • Department of State Development, Manufacturing, Infrastructure and Planning • A selection of local councils 	https://www.gao.qld.gov.au/audit-program
Managing conflicts of interest in Local Government	This audit will assess how effectively councils manage and respond to conflicts of interest.	Planned	2022-23	<ul style="list-style-type: none"> • A selection of local councils 	https://www.gao.qld.gov.au/audit-program

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Maintaining strong and prosperous regions	This audit will assess the Queensland Government’s effectiveness in progressing the goals for strong and prosperous regions in its Queensland Plan.	Planned	2022-23	<ul style="list-style-type: none"> Department of Local Government, Racing and Multicultural Affairs Selection of local councils 	https://www.gao.qld.gov.au/audit-program
Transport service contracts	This audit will assess whether transport service contracts are managed effectively to meet the government’s transport objectives, maximise value for money and meet community needs.	Planned	2022-23	<ul style="list-style-type: none"> Department of Transport and Main Roads A selection of local councils 	https://www.gao.qld.gov.au/audit-program
Local government entities: 2022	This audit will summarise the results of our financial audits of the Queensland councils and the related entities they control that produced financial statements at 30 June.	Planned	2022-23	<ul style="list-style-type: none"> A selection of local councils 	https://www.gao.qld.gov.au/audit-program
Water 2022	This audit will summarise financial audit results of state and local government owned water entities, and two controlled entities for 2020–21.	Planned	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 	https://www.gao.qld.gov.au/audit-program
Managing Invasive species	This audit will assess how effectively the Department of Agriculture and Fisheries is managing invasive species.	Planned	2022-23	<ul style="list-style-type: none"> Department of Agriculture and Fisheries Department of Environment and Science Department of Natural Resources, Mines and Energy Selection of local councils 	https://www.gao.qld.gov.au/audit-program

Topic	Objective(s)	Status	Proposed Tabling	Agency(ies)	Link
Western Australia					
Safe and Viable cycling in the Perth and Peel region	The objective of the audit is to assess the effectiveness of LG entities in improving the Perth and Peel cycling network and follow-up recommendations from our 2015 performance audit <i>Safe and Viable Cycling in the Perth Metropolitan Area</i> .	In Progress	2021-22	<ul style="list-style-type: none"> Local government entities for Perth and Peel regions Department of Transport (DoT) 	https://audit.wa.gov.au/auditing-in-wa/audit-program/
State of Cyber security in local government entities	The objective of this audit is to determine if local government entities are effectively managing cyber security.	In Progress	2021-22	<ul style="list-style-type: none"> Sample of Local government entities 	https://audit.wa.gov.au/auditing-in-wa/audit-program/
Local Government financial hardship support	The objective of this audit is to assess if LG entities provide effective financial hardship support to assist ratepayers impacted by COVID-19.	Planned	2021-22	<ul style="list-style-type: none"> Sample of Local government entities 	
Tasmania					
Council general manager recruitment, appointment and performance assessment	This audit will assess recruitment processes, contractual and remuneration arrangements and performance assessment for council general managers.	Planned	2021-22	<ul style="list-style-type: none"> A selection of local councils 	https://www.audit.tas.gov.au/wp-content/uploads/Annual-Plan-of-Work-2020-21.pdf
Managing landfills	<p>This audit will examine whether the Environmental Protection Authority's (EPA) 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.</p> <p>This audit will examine the activities of the EPA and a sample of councils and joint authorities that own and operate landfills</p>	Planned	2021-22	<ul style="list-style-type: none"> Environmental Protection Authority Department of Primary Industries, Parks, Water and Environment Selected Councils and Joint Authorities 	https://www.audit.tas.gov.au/wp-content/uploads/Annual-Plan-of-Work-2019-20.pdf

Topic	Objective(s)	Status	Proposed Tabling	Agency(ies)	Link
Council Procurement - Report 3	<p>This audit will assess whether procurement of goods and services by councils is being undertaken in accordance with the:</p> <ul style="list-style-type: none"> • <i>Local Government Act 1993</i> • <i>Local Government (General) Regulations 2015</i> • Council's Code for Tenders and Contracts <p>Council's internal policies, procedures and manuals</p>	Planned	2021-22	<ul style="list-style-type: none"> • A selection of local councils 	https://www.audit.tas.gov.au/wp-content/uploads/Annual-Plan-of-Work-2020-21.pdf
Australian National Audit Office (ANAO)					
Operation of Grants Hubs	<p>The objective of this audit is to assess the design and implementation of the Streamlining Government Grants Administration (SGGA) Program in improving the effective and efficient delivery of grants administration.</p> <p><i>*This report will not include Local Councils but its contents may directly apply to areas concerning Local Government operations.</i></p>	In Progress	August 2021	<ul style="list-style-type: none"> • Department of Finance • Department of Industry, Science, Energy and Resources • Department of Social Services 	https://www.anao.gov.au/work/performance-audit/operation-grants-hubs