



Victorian Auditor-General's Office

Local Government audit update — May 2021

Local Government reports tabled within the previous 6 months

Topic	Overview	Status	Tabled	Agency(ies)	Link
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 Department of Premier and Cabinet Victorian Public Sector Commission 	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.</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 	https://www.audit.vic.gov.au/report/maintaining-local-roads

Topic	Overview	Status	Tabled	Agency(ies)	Link
	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.			<ul style="list-style-type: none"> Yarra Ranges Shire Council 	
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
Sexual harassment in local government	To determine whether local government authorities provide workplaces free from sexual harassment.	Completed	9 December 2020	<ul style="list-style-type: none"> Ararat Shire Council Corangamite Shire Council Frankston City Council Latrobe Rural City Moreland City Council 	https://www.audit.vic.gov.au/report/sexual-harassment-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 	https://www.audit.vic.gov.au/report/delivering-local-government-services-waste-management-services

Topic	Overview	Status	Proposed Tabling	Agency(ies)	Link
				<ul style="list-style-type: none"> Sustainability Victoria 	
Supplying and using recycled water sources	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.	Planned	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
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	2021-22	<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
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 Victorian Planning Authority Maroondah City Council Moonee Valley City Council 	https://www.audit.vic.gov.au/report/implementing-plan-melbourne-2017-50

OFFICIAL

Topic	Overview	Status	Proposed Tabling	Agency(ies)	Link
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
Managing the impact of deer	To determine the extent to which invasive deer species are managed to protect biodiversity values.	Planned	2023-24	<ul style="list-style-type: none"> Alpine Shire Council Department of Environment, Land, Water and Planning Department of Jobs, Precincts and Regions Game Management Authority Mansfield Shire Council Murrindindi Shire Council 	https://www.audit.vic.gov.au/report/managing-impact-deer

Topic	Overview	Status	Proposed Tabling	Agency(ies)	Link
				<ul style="list-style-type: none"> Parks Victoria 	
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
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 City of Greater Dandenong City of Kingston 	https://www.audit.vic.gov.au/report/managing-land-use-buffers
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 — May 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	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 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/

Topic	Overview	Status	Published	Link
<p>Investigation into the detention and treatment of public housing residents arising from a COVID-19 'hard lockdown' in July 2020</p> <p>(Included consultation from City of Melbourne and City of Moonee Valley councils over the course of investigations)</p>	<p>The Ombudsman's investigation found that the detention of people at 33 Alfred St, North Melbourne appeared to contravene <i>Charter of Human rights</i> and that DHHS failed to provide people there timely information about their detention.</p> <p>The Ombudsman's recommendations included that Victorian Government should apologise for the harm or distress caused by immediate lockdown and amend the Public Health and Wellbeing Act 2008 to include greater safeguards wound use of emergency detention powers, and that DHHS should ensure appropriate COVID-19 outbreak prevention, preparation and response measures are in place for other sensitive accommodation settings.</p>	Completed	17 December 2020	https://www.ombudsman.vic.gov.au/our-impact/investigation-reports/investigation-into-the-detention-and-treatment-of-public-housing-residents-arising-from-a-covid-19-hard-lockdown-in-july-2020/#full-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"> <li data-bbox="571 300 1243 363">• South Gippsland Shire Council (21 June 2019 until the next election for the council in October 2021) <li data-bbox="571 379 1243 419">• Casey City Council (14 May 2020 to October 2024) <li data-bbox="571 432 1243 464">• Whittlesea City Council (19 June 2020 to October 2024) 	<p data-bbox="1243 300 2166 363">https://www.localgovernment.vic.gov.au/council-governance/commission-of-inquiry-into-south-gippsland-shire-council2</p> <p data-bbox="1243 379 2166 419">https://www.localgovernment.vic.gov.au/council-governance/independent-reports</p> <p data-bbox="1243 432 2166 464">https://www.localgovernment.vic.gov.au/council-governance/independent-reports</p>

Interstate Audit Office and Integrity body update — May 2021

Interstate Local Government reports tabled within the previous 3 months

Topic	Overview	Status	Tabled	Agency(ies)	Link
New South Wales					
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.qao.qld.gov.au/reports-resources/reports-parliament/local-government-2020
Western Australia					
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 March 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/

Topic	Overview	Status	Tabled	Agency(ies)	Link
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/auditin-g-in-wa/audit-program/
South Australia					
Examination of cyber security - Port Augusta City Council	<p>The report examined the arrangements established by the Port Augusta City Council to manage cyber security.</p> <p>The report concluded that for the period between December 2019 to March 2020, important internal control elements to mitigate cyber security and technology risks within the Council were not operating effectively.</p>	Completed	2 February 2021	<ul style="list-style-type: none"> Port Augusta City Council 	https://www.audit.sa.gov.au/publications/ 2021
Examination of cyber security - City of Prospect	<p>The report examined the arrangements established by the City of Prospect to manage cyber security.</p> <p>For the period examined, the report concluded that important internal control elements to mitigate cyber security and technology risks within the City of Prospect were not operating effectively. It was acknowledged that City of Prospect has a small IT team and budgetary constraints, and that it implemented some controls over its core Enterprise Resource Planning and records management systems.</p> <p>The report mentioned that City of Prospect responded positively to the recommendations and had already commenced some improvement activities prior to the examination which was continued afterwards.</p>	Completed	2 February 2021	<ul style="list-style-type: none"> City of Prospect 	https://www.audit.sa.gov.au/publications/ 2021

Topic	Overview	Status	Tabled	Agency(ies)	Link
Examination of cyber security - City of Port Adelaide Enfield	The report examined the arrangements established by the Port Augusta City Council to manage cyber security. The report concluded that for the period between December 2019 to March 2020, important internal control elements to mitigate cyber security and technology risks within the Council were not operating effectively.	Completed	2 February 2021	<ul style="list-style-type: none"> City of Port Adelaide Enfield 	https://www.audit.sa.gov.au/publications/_2021
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	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
Local Government 2020	This report will bring together findings and recommendations from our 2019–20 financial audits of local councils and will comment on financial reporting and sustainability, internal controls and governance, and areas of interest that are in focus during the conduct of our audits.	Planned	2020-21	<ul style="list-style-type: none"> All local councils 	https://www.audit.nsw.gov.au/our-work/reports/local-government-2020
Queensland					

OFFICIAL

Topic	Objective(s)	Status	Proposed Tabling	Agency(ies)	Link
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
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 	https://www.gao.qld.gov.au/audit-program

OFFICIAL

Topic	Objective(s)	Status	Proposed Tabling	Agency(ies)	Link
				<ul style="list-style-type: none"> Department of State Development, Manufacturing, Infrastructure and Planning A selection of local councils 	
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
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

Topic	Objective(s)	Status	Proposed Tabling	Agency(ies)	Link
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
Western Australia					
Audit Results Report – Annual 2019-20 Financial Audits of Local Government Entities	This report will summarise the results of annual audits of local government entities' annual financial reports, and their compliance with applicable legislation for the financial year ending 30 June 2020.	In Progress	2020-21	<ul style="list-style-type: none"> 112 local government entities 	https://audit.wa.gov.au/auditing-in-wa/audit-program/
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	2020-21	<ul style="list-style-type: none"> Local government entities 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	2020-21	<ul style="list-style-type: none"> Local government entities 	https://audit.wa.gov.au/auditing-in-wa/audit-program/
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

Topic	Objective(s)	Status	Proposed Tabling	Agency(ies)	Link
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
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