

VAGO status report

Local Government update

February 2024



VAGO publications

VAGO Reporting on Local Government Performance dashboard

Our dashboard collects *Local Government Performance Reporting Framework* data and allows users to see how their council compares to similar councils for 58 performance measures.

<https://www.audit.vic.gov.au/dashboards/reporting-local-government-performance-0>

VAGO Significant accounting developments

Our Financial Reporting Advisory team has released a publication on *Significant accounting developments*

<https://www.audit.vic.gov.au/news/significant-accounting-developments-20230206>

VAGO Transparency Report

Our Transparency Report 2021–22 expands on our Annual Report 2021–22 by outlining our quality control system and how it applies to our audits. Contains details of entities we audit and their annual audit fee over the past 3 years.

https://www.audit.vic.gov.au/sites/default/files/Corporate%20publications/20230112_Transparency-Report-2021-22.pdf

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Annual Plan 2023-24

- prepared pursuant to the requirements of Section 73 of the *Audit Act 1994*
- tabled in the Parliament of Victoria on 27 June 2023

<https://www.audit.vic.gov.au/report/annual-plan-2023-24>

Annual Plan 2024-25

- consultation underway on proposed performance audit topics with various stakeholders
- to be tabled in the Parliament of Victoria during June 2024

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Local government sector

2024-25

To be determined as part of our 2024-25 annual plan activities which are underway

Other sectors

2024-25

To be determined as part of our 2024-25 annual plan activities which are underway

Note:

- VAGO's [Annual Plan 2023-24](#) covered our one-year forward work program.
- All the proposed/planned audits are under review as part of our annual planning process and are subject to change or removal.

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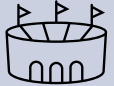


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Involving local government

Engagement	Planned tabling	Our objective is to determine ...
 <p>Withdrawal from Commonwealth Games 2026 (link)</p>	March 2024	the costs associated with securing, planning for and exiting from the 2026 Commonwealth Games and assess the quality of relevant advice to government.
 <p>Financial management of local councils (link)</p>	August 2024	whether councils effectively manage their financial resources to fulfil their responsibilities and enable continued financial sustainability.
 <p>Developing Fishermans Bend (link)</p>	August 2024	whether responsible agencies are effectively delivering the Fishermans Bend Framework.

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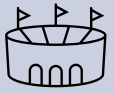

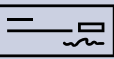
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Involving other sectors

Engagement	Planned tabling	Our objective is to determine ...
 <p>Withdrawal from Commonwealth Games 2026 (link)</p>	March 2024	the costs associated with securing, planning for and exiting from the 2026 Commonwealth Games and assess the quality of relevant advice to government.
 <p>Managing state-significant risks (link)</p>	May 2024	whether agencies are working collaboratively to identify and manage state-significant risks.
 <p>Assuring the integrity of the Victorian Government's procurement activities (link)</p>	June 2024	whether Victorian Government departments manage the risk of fraud and corruption when procuring goods and services.

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2023-24 financial audits

Audit planning activities are underway on a number of audit engagements

- Audit engagement letters are being issued progressively where there has been a change in CEO or Mayor
- Audit fee letters will be released during February / March 2024

Key areas of focus

Financial report

- Valuation of land, buildings and infrastructure assets
- Information technology controls as they relate to financial reporting

Performance statement

- Compliance with the model performance statement, noting there are changes to the indicators to be audited
- Systems in place to capture financial and non-financial data underpinning the reported results

2023-24 model financial report and performance statement

LGV released the 2023-24 model financial report and performance statement on 23 February 2024.

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2022-23 & 2021-22 acquittals

- R2R and LRCI acquittals are underway with audit reports being released progressively

Results of 2022-23 Audits: Local Government report

The report will

- provide a summary of outcomes from our audit of the local government sector for 2022-23
- largely focus on the 79 Victorian councils
- contain an analysis and discussion of financial outcomes and emerging risks
- detail key internal control and financial reporting issues

The report will contain commentary on action taken by councils in relation to the *prior year recommendations* (for the *Results of 2021-22 Audits: Local Government* report refer [Link](#)).

Our website will also contain a financial dashboard with 6 years of financial data by council.

The report will be tabled in Parliament during March 2024.

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Local Government annual reporting timelines

- The *Local Government Act 2020* requires council annual reports – which includes the audited financial reports and performance statements associated audit reports – to be finalised no later than one day prior to the election in a general election year.
- To meet annual financial reporting timelines, an entity should have a plan that:
 - outlines its legislative reporting requirements
 - details tasks to be performed, by whom and when
 - specifies the resources, milestones, key stakeholders, information systems, materiality threshold, oversight and quality assurance practices it needs to help the staff who prepare it.

Council election October 2024

- A general Council election is currently scheduled to occur on 26 October 2024.
- In light of an electoral structure review, 39 councils will alter their electoral structure before the October 2024 general election. For further information, refer Electoral structure and ward boundary reviews at:

<https://www.localgovernment.vic.gov.au/council-governance/electoral-representation-advisory-panels-eraps>

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Reducing the Harm Caused by Drugs on Victorian Roads

Tabled December 2023

Examined whether Victoria Police's roadside drug testing program (the program) operates effectively and achieves intended outcomes.

[Link](#)



Major Projects Performance Reporting

Tabled November 2023

Examined if the public sector transparently reports the performance of major projects against cost, time, scope and benefits.

[Link](#)



Auditor-General's Report on the Annual Financial Report of the State of Victoria: 2022-23

Tabled November 2023

The report analyses and provides commentary on key aspects of the financial performance and position of the state.

[Link](#)

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Recently tabled audits – continued



Fair Presentation of Service Delivery Performance 2023

Tabled November 2023

Examined whether the public sector fairly presents its service delivery performance information.

[Link](#)



Illegal disposal of asbestos-contaminated materials

Tabled November 2023

Examined whether responsible agencies have controls in place to minimise the illegal disposal of asbestos-contaminated materials.

[Link](#)



Eloque: the Joint Venture Between DoT and Xerox

Tabled October 2023

Examined whether the decision of Victorian Rail Track Corporation and the Department of Transport to enter into a joint venture arrangement with Xerox was transparent, evidence-based and free from bias.

[Link](#)

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Municipal Monitors

- Brimbank City Council
<https://www.premier.vic.gov.au/monitors-appointed-brimbank-city-council>
- Moonee Valley Council
<https://www.premier.vic.gov.au/second-municipal-monitor-moonee-valley-council>

Administrators

- Casey City Council
<https://www.casey.vic.gov.au/news/three-administrators-appointed-casey>
- Moira Shire Council
<https://www.premier.vic.gov.au/moira-shire-panel-administrators-appointed>
- Strathbogie Shire Council
<https://www.premier.vic.gov.au/strathbogie-council-suspended-administrator-appointed>
- Whittlesea City Council
<https://www.whittlesea.vic.gov.au/about-us/council/administrators/>

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Independent Broad-based Anti-corruption Commission (IBAC)

Local government - snapshot and key insights

This profile examines corruption and misconduct risk for the sector.

<https://www.ibac.vic.gov.au/local-government-snapshot-and-key-insights>

25 September 2023

Corruption and misconduct risks for local government

Insights on specific corruption risks for the local government sector, councillors and employees, as well as related prevention and detection strategies.

<https://www.ibac.vic.gov.au/corruption-and-misconduct-risks-local-government>

25 September 2023

Prevention and detection strategies for local government

Insights on specific corruption risks for the local government sector, councillors and employees, as well as related prevention and detection strategies.

<https://www.ibac.vic.gov.au/prevention-and-detection-strategies-local-government>

25 September 2023

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Operation Watts progress report

Operation Watts scrutinised how branch stacking in the Victorian branch of the Australian Labor Party (ALP) resulted in the alleged misuse of public funds for party political purposes, and subversion of parliamentary standards and processes.

The report sets out the steps taken by the state government in addressing the recommendations raised by IBAC and the Ombudsman in their Operation Watts investigation report, which was tabled in July 2022.

<https://www.ibac.vic.gov.au/operation-watts-progress-report>

14 September 2023

Perceptions of corruption 2023: Members of Parliament (MPs) and Local Government Councillors

IBAC released the findings of its Perceptions of Corruption Survey completed by Victorian Members of Parliament (MPs) and local government councillors.

<https://www.ibac.vic.gov.au/mps-and-councillors-reveal-their-perceptions-corruption-within-government>

29 August 2023

Operation Sandon special report

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.

<https://www.ibac.vic.gov.au/operation-sandon-special-report>

27 July 2023

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Victorian Ombudsman

Marlo Baragwanath appointed Victorian Ombudsman

Marlo Baragwanath confirmed as the next Victorian Ombudsman, to commence in the role on 30 March 2024.

<https://www.premier.vic.gov.au/next-victorian-ombudsman-appointed>

27 February 2024

Alleged politicisation of the public sector: Investigation of a matter referred from the Legislation Council on 9 February 2022 – Part 2

The report details key findings and observations and recommendations for reform.

<https://www.ombudsman.vic.gov.au/our-impact/investigation-reports/alleged-politicisation-of-the-public-sector/#summary>

6 December 2023

Misconduct in public organisations: A casebook

The report delves into seven case studies, discussing individuals engaging in misconduct and systems failing to manage misconduct risks.

<https://www.ombudsman.vic.gov.au/our-impact/news/lifting-the-veil-on-misconduct-in-public-organisations/>

9 August 2023

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Tasmanian Auditor-General

Martin Thompson appointed Auditor-General of Tasmania

Martin Thompson has been announced as the new Auditor-General of Tasmania, to commence in the role on 1 May 2024. For further details, refer:

<https://www.premier.vic.gov.au/next-victorian-ombudsman-appointed>

14 February 2024

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