

VAGO status report

Local Government update

January 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>

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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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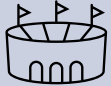

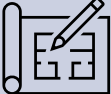
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Involving local government

Engagement	Planned tabling	Our objective is to determine ...
 Withdrawal from Commonwealth Games 2026 (link)	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.
 Financial management of local councils (link)	August 2024	whether councils effectively manage their financial resources to fulfil their responsibilities and enable continued financial sustainability.
 Developing Fishermans Bend (link)	September 2024	whether responsible agencies are effectively delivering the Fishermans Bend Framework.

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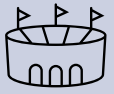


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Involving other sectors

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 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
- ❑ Systems in place to capture financial and non-financial data underpinning the reported results

2023-24 model financial report and performance statement

- LGV will release the 2023-24 model financial report and performance statement during February 2024 after consideration of feedback from the sector via a FINPRO working group, which VAGO attends

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2022-23 audit status

- 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 comment on action taken by councils in relation to the prior year recommendations (for the 2021-22 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 February 2024.

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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](#)



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](#)

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Recently tabled audits – continued



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](#)



Responses to Performance Engagement Recommendations: Annual Status Update 2023

Tabled August 2023

Examined whether public sector agencies are implementing our performance engagement recommendations in a timely way.

[Link](#)



Cybersecurity: Cloud Computing Products

Tabled August 2023

Examined the effectiveness of agencies' Microsoft 365 cloud-based identity and device management controls.

[Link](#)

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For a complete listing of VAGO tabled reports, refer to <https://www.audit.vic.gov.au/search/reports>

Recently tabled audits – continued



Regulating food safety

Tabled June 2023

Examined whether councils are complying with their legislative responsibilities for food safety to protect public health.

[Link](#)

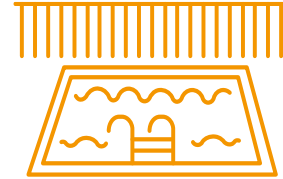


Results of 2021-22 Audits: Local Government

Tabled February 2023

Each council and agency prepares a financial report. Each council also prepares a performance statement. We audit all of these reports and statements.

[Link](#)



Regulating private pool and spa safety

Tabled February 2023

Examined if councils effectively implement private pool and spa safety barrier regulations.

[Link](#)

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Municipal Monitors

- Greater Geelong City Council

<https://www.localgovernment.vic.gov.au/council-governance/independent-reports#Municipal%20monitors>

- Strathbogie Shire Council

<https://www.premier.vic.gov.au/municipal-monitor-appointed-strathbogie-shire-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>

- Whittlesea City Council

<https://www.whittlesea.vic.gov.au/about-us/council/administrators/>

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Independent Broad-based Anti-corruption Commission (IBAC)

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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Independent Broad-based Anti-corruption Commission (IBAC)

Australian Standard on Fraud and Corruption Control

IBAC has identified 10 anti-fraud and corruption initiatives that organisations can apply based on the guidance provided in the Standard to prevent fraud and corruption.

<https://www.ibac.vic.gov.au/node/939#panel2>

11 July 2023

Operation Daintree special report

Operation Daintree was an investigation by the Independent Broad-based Anti-corruption Commission (IBAC) highlighting how improper influence compromised the procurement process for a \$1.2m contract awarded to a union-established training group, and compromised the management of the contract.

<https://www.ibac.vic.gov.au/node/892>

18 April 2023

Corruption risks associated with major infrastructure projects in Victoria

IBAC has released a research report identifying the key drivers of corruption that can impact major Victorian infrastructure projects responsible for spending billions of taxpayer dollars each year.

<https://www.ibac.vic.gov.au/node/451>

15 February 2023

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Victorian Ombudsman

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

Councils and complaints: Glen Eira City Council's approach to contractor work

The Council's handling of the complaint was contrary to the spirit of its own policy, not to mention the Local Government Act, both of which adopt a broad definition of complaint.

The Victorian Ombudsman investigation found widespread inconsistency in the way councils across the state handle complaints about the services they outsource to third-party contractors.

<https://www.ombudsman.vic.gov.au/our-impact/news/report-exposes-gaps-in-council-complaint-policies-about-contractors/>

26 April 2023

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