

# VAGO status report

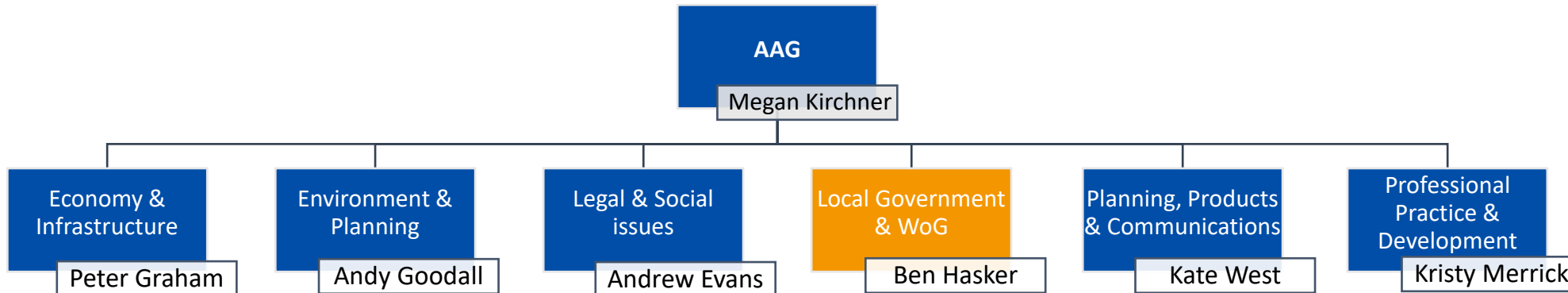
## Local Government update

October 2023



# VAGO news

- Auditor-General: Andrew Greaves reappointed for a further 7-year term in September 2023
- Parliamentary Reports and Services structure:



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

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# VAGO Annual Plan

## 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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# Planned performance audit engagements

## Local government sector

2023-24

- Delivering Fishermans Bend

## Other sectors

2023-24

- Assuring the integrity of the Victorian Government's procurement activities
- Fair presentation of service delivery performance

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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# Ongoing performance audit engagements

## Involving local government

Engagement	Planned tabling	Our objective is to determine ...
 <p>Illegal disposal of asbestos-contaminated materials (<a href="#">link</a>)</p>	November 2023	whether responsible agencies have controls in place to minimise the illegal disposal of asbestos-contaminated materials.
 <p>Withdrawal from Commonwealth Games 2026 (<a href="#">link</a>)</p>	February 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 (<a href="#">link</a>)</p>	June 2024	whether councils effectively manage their financial resources to fulfil their responsibilities and enable continued financial sustainability.

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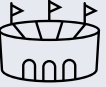

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# Ongoing performance audit engagements

## Involving other sectors

Engagement	Planned tabling	Our objective is to determine ...
 Major Projects Performance Reporting ( <a href="#">link</a> )	November 2023	if the public sector transparently reports the performance of major projects against cost, time, scope and benefits.
 Withdrawal from Commonwealth Games 2026 ( <a href="#">link</a> )	February 2024	the costs associated with securing, planning for and exiting from the 2026 Commonwealth Games and assess the quality of relevant advice to government.
 Managing state-significant risks ( <a href="#">link</a> )	March 2024	whether agencies are working collaboratively to identify and manage state-significant risks.

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# Financial audit – continued

## Local government

### 2022-23 audit status

- 105 agencies within the local government sector
- financial audits are nearing completion with over 80 audits finalised
- R2R and LRCI acquittals are underway with audit reports to be released

### 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 may 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
- Tabling date to be confirmed.

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# Recently tabled audits



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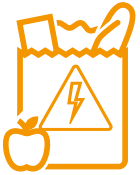
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For a complete listing of VAGO tabled reports, refer to <https://www.audit.vic.gov.au/search/reports>

# 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](#)

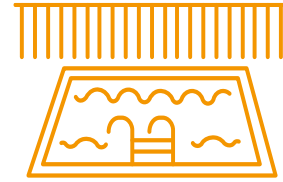


## Results of 2021-22 Audits: Local Government

*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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# Active governance matters

## 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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# Other integrity bodies

## 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

### 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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