

VAGO status report

Local Government update

April 2023



VAGO news

- Megan Kirchner commenced as Assistant Auditor-General, Performance Audit on 8 March 2023.
- Sector Directors in Performance Audit:

Director	Sector
Elsie Alcordo *	Health and Human Services
Natasha Goss *	Local Government & Economic Development
Kelly Butler *	Justice and Community Safety
Natalie Egan *	Environment and Planning
Ben Hasker ^	Infrastructure and Transport
Andrew Evans	Education
Trang Ho	Whole of Government
Ryan Green	Strategic Audit Planning

* Acting Sector Director

^ Ben Hasker will be assisting the Assistant Auditor-General, Performance Audit in a handover period until 30 June 2023.

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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

VAGO Annual Report 2021-22

Our annual report details our performance for the previous financial year.

<https://www.audit.vic.gov.au/report/annual-report-2021-22>

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Annual Plan 2022-23

- VAGO's annual plan 2022-23 was tabled in Parliament on 9 June 2022. The Annual Plan 2022-23 covers our two-year forward work program.
- Link to the Annual plan 2022-23
<https://www.audit.vic.gov.au/report/annual-plan-2022-23>
- Agency consultation on our 2023-24 annual plan is in progress.

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Local government sector

2023-24

- Delivering Fishermans Bend
- Delivering Victoria's Big Housing Build

2024-25

- Effectiveness of the Enhanced Maternal and Child Health program
- Victoria's flood preparedness

Other sectors

2023-24

- Assuring the integrity of the Victorian Government's procurement activities
- Protecting the biosecurity of agricultural plant species
- Fair presentation of service delivery performance

Note:

- VAGO's [Annual Plan 2022-23](#) covered our two-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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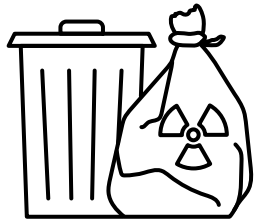
Other integrity bodies

Ongoing performance audit engagements

Involving local government

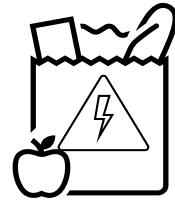
Illegal disposal of asbestos-contaminated materials

Tabling November 2023



Regulating food safety

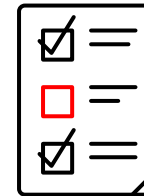
Tabling June 2023



Involving all agencies

Responses to performance engagement recommendations

Tabling August 2023



Natalie Egan

Risk response

End of Conduct brief

July 2023

Natasha Goss

Reporting

Proposed report

May 2023

Ryan Green

Risk assessment

Initiation

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Results of 2021-22 Audits: Local Government report

- Tabled in Parliament on 23 February 2023
- The report
 - provides a summary of outcomes from our audit of the local government sector for 2021-22
 - commentary throughout the report largely focuses on 79 Victorian councils
 - contains an analysis and discussion of financial outcomes and emerging risks
 - details key internal control and financial reporting issues
 - contains **6 recommendations**
 - 5 are for all councils
 - 1 relates to Local Government Victoria
- Our website also contains a financial dashboard with 6 years of financial data by council

[Link](#)

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Key areas of audit focus in 2022-23

- Impact of flooding during October – December 2022 on council operations and infrastructure assets
- Valuation of land, buildings and infrastructure assets
- Government grants
- Developer contributions
- Landfill provision
- Council information technology controls

Local Government model financial report and performance statement 2022-23

- released by LGV at a FINPRO conference on 24 February 2023

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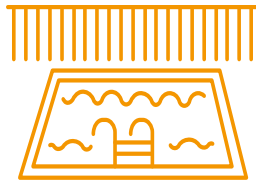


Results of 2021-22 Audits: Local Government

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](#)

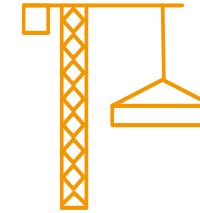


Auditor-General's Report on the Annual Financial Report of the State of Victoria: 2021-22

Tabled October 2022

Each year we audit and provide opinions on the financial reports of the 284 state-controlled entities consolidated into the Annual Financial Report of the State of Victoria.

[Link](#)



Major projects performance reporting 2022

Tabled September 2022

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

[Link](#)

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

Active governance matters

Municipal Monitors

- Greater Geelong City Council

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

Administrators

- Casey City Council

<https://www.casey.vic.gov.au/news/three-administrators-appointed-casey>

- Moira Shire Council

<https://www.premier.vic.gov.au/site-4/moira-shire-council-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)

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

Operation Watts

Operation Watts was the first ever joint investigation conducted by IBAC and the Victorian Ombudsman. The investigation examined a range of matters including allegations of misuse of electorate offices, ministerial office staff and resources for branch stacking and other party-related activities.

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

20 July 2022

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. Report yet to be tabled.

In progress

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Victorian Ombudsman

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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