

Local Government Auditing Reforms

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Three (strategic) cheers for the Auditor General!

The Department of Local Government recently released the June 2018 Guide to Local Government Auditing Reforms.

The big question is...will the Auditor General be declared to be the best thing that has happened for local government integrated planning...since integrated planning was introduced? Yes, we think so.



Providing your Corporate Business Plan

Close to the last page of the Guideline is a sentence that reads *“Local governments are required to provide the auditor with a copy of their Strategic Community Plan, Corporate Business Plan or another plan or informing strategy.”* This little sentence will probably make for the biggest shakeup of the way many local governments approach the topic of governance.

All local governments will in the future be periodically tested and held to account by the Auditor General on whether they are conducting activities aimed at taking their organisations towards their strategic planning goals.

It now no longer matters whether a council misunderstands or simply undervalues the Corporate Business Plan that they have themselves endorsed. The Auditor General will hold local governments to account with respect to the quality of their decision making, particularly with reference to the Corporate Business Plan.

Key Points

- New Auditing Reforms Guide released by Department of Local Government in June 2018
- Local governments can expect to be audited on whether their decision making is consistent with their own approved planning objectives and goals

Such an approach was taken by the Auditor General in her recent Performance Audits and there is no reason to believe that that approach will not be adopted when examining the Corporate Business Plans of local governments.

Strategically-minded councils and local governments will have no difficulties staying one step ahead of a strategically-minded Auditor General... just make sure you are one of them!

Many local governments are, of course, already consistently and professionally pursuing the implementation of their Corporate Business Plan.

For those in that group, well done, and keep up the great work!

For those who believe that they might be vulnerable to scrutiny under the new regulatory framework, the time has come to make sure that

the structure of your budget is consistent with your integrated planning documentation.

What might this mean for local governments?

The legal and regulatory landscape has changed drastically and we will start to see many local governments tested on their conception of good governance.

The future will be one where councils can no longer look at the corporate planning exercise as being merely a compliance exercise.

At Civic Legal, we consider that the legislative changes are intended to bring about cultural change in the sector. Who knows? Perhaps the days of councils prioritising keeping rates rises down over achieving the Corporate Business Plan are numbered.

Contact

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