

<b>Circular Details</b>	Circular No 17-04 / 27 March 2017 / A537244
<b>Previous Circular</b>	16-35 Phase 1 amendments to the Local Government Act commenced by proclamation
<b>Who should read this</b>	Councillors / General Managers / All council staff
<b>Contact</b>	Performance Team – 02 4428 4100
<b>Action required</b>	Information / Response to OLG / Council to Implement

## Topics for local government performance audit by Auditor-General of NSW

### What's new or changing

- The Auditor-General of NSW was given the mandate to conduct performance audits of a council, or the sector, as part of the Phase 1 amendments to the *Local Government Act 1993*.
- After considering suggestions from stakeholders, the Auditor-General has decided on the following initial performance audit topics:
  - Council reporting on service delivery
  - Fraud control in local government
  - Shared services.

### What this will mean for your council

- The topics have been selected to enable the Auditor-General to better understand the current performance of the local government sector, and to identify and promote good practice.
- Varying degrees of council involvement will be required on each audit, and the Audit Office will communicate its expectations to affected councils once each audit commences.

### Key points

- The audits will aim to identify and promote good practice and make practical improvement suggestions.
- The audit of council reporting on service delivery will examine how well councils demonstrate service efficiency and effectiveness through their reporting under the Integrated Planning and Reporting Framework.
- The review of fraud control in local government will provide an analysis of fraud in local government based on a self-assessment by councils of their fraud controls against the Audit Office of NSW's *Fraud Control Improvement Kit*.
- The shared services audit will seek to identify key enablers and barriers to effective and efficient shared services arrangements. Such arrangements are likely to include corporate services but may also include customer services such as waste collection, road maintenance or libraries.
- Planning for the council reporting on service delivery audit has commenced, with the other two audits starting later in the calendar year.

**Where to go for further information**

- Further information on the Auditor-General's mandate for local government is available at [www.audit.nsw.gov.au](http://www.audit.nsw.gov.au)



**Tim Hurst**  
**Acting Chief Executive**