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Auditor General tables first annual financial audit report of local government entities

The Auditor General for Western Australia, Ms Caroline Spencer, has today presented a report in Parliament summarising the annual audits of the financial reports of 42 local government entities for the financial year ending 30 June 2018.

In the [Audit Results Report - Annual 2017-18 Financial Audits of Local Government Entities](#), the Auditor General's clear audit opinions to 40 local government entities are listed, as well as 36 instances of material non-compliance with the *Local Government Act 1995*, Local Government (Financial Management) Regulations 1996 or other written law.

The report also includes a range of observations about what is working well in the local government sector, where improvements may be considered, and where opportunities exist.

With a view to improving audit outcomes for all WA local government entities in the future, the Auditor General identifies:

- preliminary observations about the role of audit committees in the annual reporting and audit process
- concerns that some staff considered an audit finding not worthy of formal reporting if the control weakness did not result in a breach of legislation or misstatement
- some weaknesses in internal controls and governance that can be remedied before they potentially lead to non-compliance with legislation
- the role the Office of the Auditor General will play in strengthening auditor independence.

Ms Spencer said 'I am pleased that changes to local government auditing legislation enable me to table this report, which offers greater transparency and accountability to ratepayers and Parliament. Ratepayers rightly expect local government entities to appropriately and effectively manage public money and to be held accountable for their financial management.'

'I am looking forward to working with the sector over the coming years to deliver high quality audits that contribute to enhancing the financial management and performance of local governments for the benefit of the WA community,' she said.

Today's report presents the financial audit results of approximately one third of all 148 WA local government entities. A further 66 local government entities will transition their annual financial audit to the Auditor General in 2018-19, and the remainder by 2021. This follows the proclamation of *Local Government Amendment (Auditing) Act 2017* in October 2017.

The *Audit Results Report - Annual 2017-18 Financial Audits of Local Government Entities* is available on the Office of the Auditor General website at www.audit.wa.gov.au.

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To date, the Office of the Auditor General have completed 42 of 46 audits for 2017-18. The auditor's reports issued are detailed in the table below. Local government entities are listed alphabetically.

Local government entities	Opinion issued
Bunbury-Harvey Regional Council	29/10/2018
City of Belmont	31/10/2018
City of Bunbury	17/10/2018
City of Cockburn	27/11/2018
City of Joondalup	14/11/2018
City of Kalgoorlie-Boulder	29/11/2018
City of Perth	13/12/2018
City of Rockingham	09/11/2018
City of South Perth	29/11/2018
City of Stirling	09/11/2018
City of Wanneroo	15/11/2018
Eastern Metropolitan Regional Council	05/10/2018
Pilbara Regional Council	14/12/2018
Rivers Regional Council	11/12/2018
Shire of Brookton	13/12/2018
Shire of Bruce Rock	13/12/2018
Shire of Capel	29/11/2018
Shire of Cranbrook	01/03/2019
Shire of Cue	11/12/2018
Shire of Cunderdin	Not finalised
Shire of Dandaragan	07/12/2018
Shire of Denmark	18/12/2018
Shire of Exmouth	27/11/2018
Shire of Jerramungup	11/02/2019
Shire of Kellerberrin	05/12/2018
Shire of Kondinin	12/12/2018
Shire of Koorda	18/10/2018
Shire of Laverton	Not finalised
Shire of Menzies	Not finalised
Shire of Moora	30/11/2018
Shire of Morawa	05/12/2018
Shire of Narrogin	20/12/2018
Shire of Northampton	03/12/2018
Shire of Nungarin	31/01/2019
Shire of Perenjori	10/12/2018
Shire of Ravensthorpe	Not finalised
Shire of Sandstone	30/10/2018
Shire of Tammin	31/01/2019
Shire of Three Springs	11/12/2018
Shire of West Arthur	13/12/2018
Shire of Woodanilling	18/12/2018
Shire of Wyalkatchem	18/01/2019
Shire of Yalgoo	18/12/2018
Shire of York	27/11/2018
Town of Cambridge	17/12/2018
Town of Cottesloe	05/12/2018