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Auditor General tables local government annual audit results

The Auditor General today tabled in Parliament the *Audit Results Report – Annual 2018-19 Financial Audits of Local Government Entities*. The report summarises the financial audits of 112 local government entities and raises significant issues identified during the audits.

Auditor General Caroline Spencer said while a number of entities had good financial reports and sound financial controls, most need to make improvements. Good governance including sound financial management is a joint responsibility of council and the CEO.

‘Only 5 local governments received a qualified opinion on their financial report; but there is little room for complacency, as a clear audit opinion is the minimum we should all expect.

‘Of concern, we reported over 960 weaknesses in financial management and information systems controls in 104 entities, including 93 material matters of non-compliance at 48 entities.

The weaknesses related to expenditure, payroll, revenue other financial management controls and information systems. If not resolved quickly there is an increased risk of significant financial loss, inefficiency, financial misreporting or fraud,’ Ms Spencer said.

‘Key issues included councillors and key management personnel not making related party declarations, journal entries posted with no evidence of independent review and approval by another person, quotes not obtained for all purchases and bank reconciliations not checked.

‘I was pleased to see a strong level of commitment to implementing last year’s audit recommendations and I encourage entities to address this year’s weaknesses in timely manner,’ Ms Spencer said.

The Auditor General recommends entities implement a more robust quality review process to ensure that their financial reports are complete and accurate, with working papers that adequately support the figures in the financial reports.

Ms Spencer said entities need to maintain an effective internal audit function, supported by an active audit committee, to improve the level of accountability and integrity of reporting and operational activities.

The report provides information to help entities reduce instances of non-compliance. It also identifies a number of opportunities for streamlining accounting practices and preparing annual financial reports for audit with a view to reducing annual reporting costs.

Report resources

- [PDF version](#)
- [Online version](#)