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## **Ineffective regulation of and support for the local government sector**

The Auditor General today tabled in Parliament the [Regulation and Support of the Local Government Sector](#) report.

Auditor General Ms Caroline Spencer said the audit found the Department of Local Government, Sport and Cultural Industries is not providing efficient and effective regulation and support to the sector.

‘Regulation of the local government sector is becoming more reactive and less focused on prevention, whereas early intervention helps to prevent breakdowns in governance and helps build capability in the sector,’ Ms Spencer said.

While local governments are responsible for their own performance, if the Department is not fulfilling this role there’s an increased risk that our local government entities will not provide good government and services to ratepayers and local communities.

‘It also adds to uncertainty for local government entities and inefficiency in the sector,’ Ms Spencer said.

The audit also found the Department’s use of its limited resources is not underpinned by a good understanding of risk and clear objectives for the sector. It also did not address known gaps identified in a 2018 internal audit.

The Department does not target its regulation and support activities or use a structured approach to gather intelligence and understand key issues in the sector.

Ms Spencer said this resulted in an increase in reactive regulation – complaints, investigations and inquiries – which has absorbed resources at the expense of preventative earlier interventions such as education and guidance.

‘This is not cost-effective, and the Department needs to rebalance its regulatory and support activities if it is to make a significant contribution to improving good governance in local government entities,’ Ms Spencer said.

The report includes recommendations that will help the Department establish a more effective regulatory framework and help it to target resources to areas of greatest risk and impact. The Department has already commenced steps to address some of the findings from this audit.

### **Report resources**

- [PDF version](#)
- [summary video](#)