

IPWEA Vic Annual Conference

21 March 2013

Ron Mak
Sector Director, Local Government
Victorian Auditor-General's Office

Overview

1. Reflections on audits 2006-12
2. Your contribution
3. Questions

1. Reflections on audits 2006-12

Reflections on audits 2006-12

1. Procurement and contract management

Tendering and Contracting in Local Government (February 2010) –

- Council oversight of procurement activities was inadequate.
- All but one of the five councils had no procedures to systematically monitor whether probity standards had been met.

2. Quality information for decision-making

Fees and Charges – cost recovery by local government (April 2010) –
Councils examined were not basing their fees and charges on:

- clear understanding of costs of services provided
- other societal, economic and legal factors that must be taken into account.

Reflections on audits 2006-12

3. Real governance and effective oversight

Local Community Transport Services: the Transport Connections program (March 2011) –

- While DPCD had designed a sound governance and accountability framework, it did not effectively implement it
- Limited cross-government coordination hindered achievement of objectives.

4. Planning and delivery of services and infrastructure

Business Planning for Major Capital Works and Recurrent Services in Local Government (September 2011) – Councils could not show that:

- their service mix was appropriate
- services were efficiently and effectively meeting community needs

Reflections on audits 2006-12

5. Managing information transparently and securely

Use of Development Contributions by Local Government (April 2012) –

- None of the councils examined had a complete record accurately linking all development contributions collected with those expended
- Councils were unable to demonstrate that all the funds had been used effectively.

6. Measuring and communicating performance

Performance Reporting by Local Government (April 2012) –

- Performance reporting by councils offered little insight into the impact of services and the achievement of objectives.

2. Your contribution

3 general areas:

- Policy
- Management practice
- Governance and oversight

Policy

- Compliance with Local Government Act
- Containing 7 principles:
 - Value-for-money
 - Open and fair competition
 - Risk management
 - Transparency
 - Probity
 - Accountability
 - Ethical behaviour

Management practice

10

- Value-for-money while maintaining process integrity
- Same principles for routine and large/complex
- Victorian Government Purchasing Board requirements
- Understand the market
- Actively managed throughout life
- “triple bottom line” reflected in requirement and evaluation
- Risk management as an integral part
- Capturing performance data
- Part of organisation’s goals and priorities

Governance and oversight

- Application of probity standards
 - People factor
 - Evaluation
 - Decisions
 - Record management
- Oversight and monitoring
 - Improve value
 - Statutory requirements
 - Review

3. Questions

Contact details:

Ronald Mak

Sector Director, Local Government

Victorian Auditor-General's Office

Ronald.mak@audit.vic.gov.au

More information

All of our tabled audits and information on upcoming audits is available at

www.audit.vic.gov.au

Level 24, 35 Collins Street Melbourne

Victoria 3000

Australia