

21 June 2018

Auditor-General's report to parliament

Shared services in local government

Local councils need to properly assess the performance of their current services before considering whether to enter into arrangements with other councils to jointly manage back-office functions or services for their communities. This is one of the recommended practices for councils in a report released today by the Auditor-General for New South Wales, Margaret Crawford.

'When councils have decided to jointly provide services, they do not always have a strong business case, which clearly identifies the expected costs, benefits and risks of shared service arrangements', said the Auditor-General.

Not all councils have the skills necessary to establish and manage shared arrangements. These councils would benefit from more guidance and support, but they are not seeking this. Additionally, the Office of Local Government should provide guidance about governance models to properly manage shared services and meet the legal and accountability requirements of the *Local Government Act 1993 (NSW)*.

The report puts forward four recommended practices and provides some case studies for councils to consider when entering into shared service arrangements.

The audit surveyed local councils in New South Wales. Sixty-seven councils or 52 per cent of 128 councils responded to the survey.

Further information

A full copy of the report is on the Audit Office website.
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